





## Chamoun militia crushed in Lebanon fighting

BY HASSAN HUAZI IN BEIRUT

THE MILITIA of Lebanon's National Liberal Party, which until now has been the second largest Christian force in the country, is expected to be dissolved after its crushing defeat in two days of fighting this week with the larger Christian militia belonging to the Phalange party.

Former President Camille Chamoun, the Liberal Party leader, was reported yesterday to be considering the disbandment of his force. Mr. Chamoun, now 80, has been negotiating on next moves with the Phalange leaders. Mr. Bachir Gemayel, the Phalangists' military chief, wants to merge all militias in the predominantly Christian areas into one force to be called "the National Guard."

The commander of the Liberal militia, Dany Chamoun, younger son of the former president, has been driven out of his strongholds in the eastern mountains and has taken refuge with his family east of Beirut. He said in an interview that he would have nothing more to do with the Phalangists and would be ready to live in predominantly Moslem west Beirut, if the forces there would let him.

Liberal Party militiamen held out after the initial Phalangist offensive launched on Monday have now surrendered and handed over their offices and barracks to Phalangist fighters on the instructions of the former President. Their submission has brought an end to the fighting in the Christian areas.

According to the latest eastern figures about 100 people died in the fighting and well

over 500 were wounded. According to Dany Chamoun, the Phalangists insisted on burying the dead in mass graves, not allowing their families to see them. Saving the lives of his followers is said to be uppermost in the mind of Mr. Camille Chamoun. "Although he has suffered a crushing defeat, there is a great deal of sympathy for him in Christian areas and he still commands a considerable political following."

The 48-hour offensive by the Phalangists leaves it the predominant power in most Christian areas. Part of northern Lebanon remains under the control of former President Suleiman Franjieh and his Maronite supporters who have been locked in a blood feud with the Phalangists since Franjieh's eldest son, Tony, was murdered two years ago.

It is feared that the tightening of control in Christian districts by Phalangist militiamen could provoke a backlash in Moslem regions and undermine efforts at national reconciliation.

The situation was a main topic at the weekly session of the Cabinet under President Elias Sarkis. The Government has been urged by Parliament to send in the Lebanese regular army to the troubled areas, but such action is unlikely.

In predominantly Moslem west Beirut, fighting broke out briefly on Tuesday night between two rival leftwing factions. A leftwing coalition has been trying to close militia and Palestinian guerrilla offices in Moslem quarters in an effort to ease tension.

## Nablus mayor home to hero's welcome

BY OUR TEL AVIV CORRESPONDENT

THE MAYOR of Nablus, Mr. Bassam al-Shaka, who lost both legs in a car bomb attack last month, returned home yesterday from medical treatment in Jordan to a jubilant welcome from his fellow townsmen.

With Israeli troops watching from the sidelines, town leaders slaughtered five sheep in ritual Moslem sacrifices and sprinkled the blood over the roof of the ambulance that brought Mr. Shaka back to Nablus on the occupied West Bank of the Jordan.

Mr. Shaka crossed the Allenby Bridge into the West Bank, urged on from the Jordanian side by the shouts of two other Palestinian mayors who were expelled in May by the Israelis, Mr. Fahd Qawasma of Hebron and Mr. Mohammed Milhem of Hisham. The mayor told a cheering crowd: "I have come home to lead my people."

Like other West Bank mayors, Mr. Shaka has been warned by the Israeli occupation authorities to confine himself to municipal duties and to avoid politics.

## Clashes mark widening Mugabe-Nkomo rift

BY OUR SALISBURY CORRESPONDENT

RELATIONS BETWEEN the Mugabe and Nkomo parties in Zimbabwe's coalition Government took a further turn for the worse yesterday, when supporters of the rival parties clashed in the streets of Salisbury.

Two men were injured in fist-fighting which broke out after 200 of Mr. Joshua Nkomo's Patriotic Front supporters demonstrated peacefully outside Parliament to demand the dismissal of the Finance Minister, Mr. Elias Nkala.

In two recent speeches Mr. Nkomo has angered the Nkomo faction by calling for the establishment of a one-party state and threatening to "crush"

Mr. Nkomo, the father figure of Zimbabwe nationalism.

After the demonstration outside Parliament Mr. Nkomo's supporters moved to the headquarters of Mr. Robert Mugabe's ZANU-PF and it was there that the fighting broke out.

Although the incident was a minor one, it reflects the widening rift and worsening relations within the governing coalition.

## Party anniversary gives Peking little to celebrate

BY TONY WALKER IN PEKING

THE CHINESE Communist Party was 50 years old last week, but it had little to celebrate. Indeed it has much to be concerned about.

The Communists who swept all before them in their triumphant march to power a little more than 30 years ago are facing a serious crisis of confidence in their rule.

The restoration of stability after the turbulence of the Cultural Revolution, the purging of so-called "ultra-leftists" and a number of economic reforms appear to have gone only part of the way towards persuading Chinese that things will get better. For they have been made cynical by empty promises and fabricated stories of great achievements.

Widespread disillusionment shows itself in the recalcitrance of young people, in the sluggishness of officials to carry out basic reforms and in the apparent desire of some of China's more talented people to get out of the country at all costs.

Sitting on top of these problems is a party whose arteries have hardened, whose vitality has dimmed and whose ability to purge itself of negative elements is open to question.

Grave doubts are expressed about the man who was the party's founder and inspiration through its first half century. The continuing debate about Mao Tse Tung both inside and outside the party can only add to its difficulties. Pre-occupation with the past is not a good recipe for dealing with the future.

Recognising its task, the Communist Party has, in recent weeks, mobilised its propaganda organs.

The message to the people is simple: Have faith in your leaders, for they know the way and have Marxist-Leninist-Maoist scriptures to guide them.

The People's Daily, the Communist Party newspaper, recently ran three blockbuster articles which tackled the apparent loss of confidence in socialism or, at least, Marxist-Leninist and Maoist thought.

Mr. Deng Liqun, vice-president of the Chinese Academy of Social Sciences, effectively a "think tank" for the Communist Party's central committee, wrote in a commentary titled "The Voice of Truth Cannot be Silenced" that it was understandable some young people had "doubts about the superiority of the Socialist system" and did not have confidence in Communist and Socialist ideals.

There were even some Communist Party members, Mr. Deng said, who started having doubts about the system after the Cultural Revolution of the late 1960s. These comrades, he said, showed no enthusiasm for the ideals of Socialism and Communism.

Mr. Deng says the faithful are wavering. Where does this leave the millions perhaps hundreds of millions not at all committed to the Communist Party, and, in fact, downright hostile to it after the excesses of the Cultural Revolution?

The Chinese leadership



FOUNDING FATHERS: Mao (left), now doubted; Liu (centre), rehabilitated; and Deng (right), anxious.

recognises there is a problem and it must restore confidence in its promises to modernise Chinese industry and improve the standing of living for the masses.

Mr. Deng, Vice-Premier and China's driving force, warned in an important speech to thousands of leading officials in the Great Hall of the People on January 16, that the success of the modernisation drive was crucial if the Communist Party was to regain the respect of the people, not to mention its own self-esteem. This was

buffeted by the years of turbulence from 1966-76 when Mr. Deng himself was purged twice and Mr. Liu Shaoqi, the party's former head of state, died a pathetic death after being hounded from office by the Maoists.

The recent posthumous rehabilitation of Mr. Liu and the publicity given to his best known work, "How to be a Good Communist," is an element in the attempt to restore a sound moral basis for the party.

Mr. Liu's work emphasises

selflessness and devotion to the Communist cause. The

"We must and can increase

ing of these principles, as large

number of party officials have

used their position to further

their interests, appears to have

a prime cause of the party's

destitution and the populace's

manifest cynicism about party

rule. Such abuses may be so

deep as to defy being rooted

out.

The party's disciplinary com-

mittee is now reviewing mem-

bership and may eventually

purge officials not considered in

time with present thinking.

There is little doubt that

Vice-Premier Deng, the

thoroughgoing party profes-

ional, wants to leave a well-

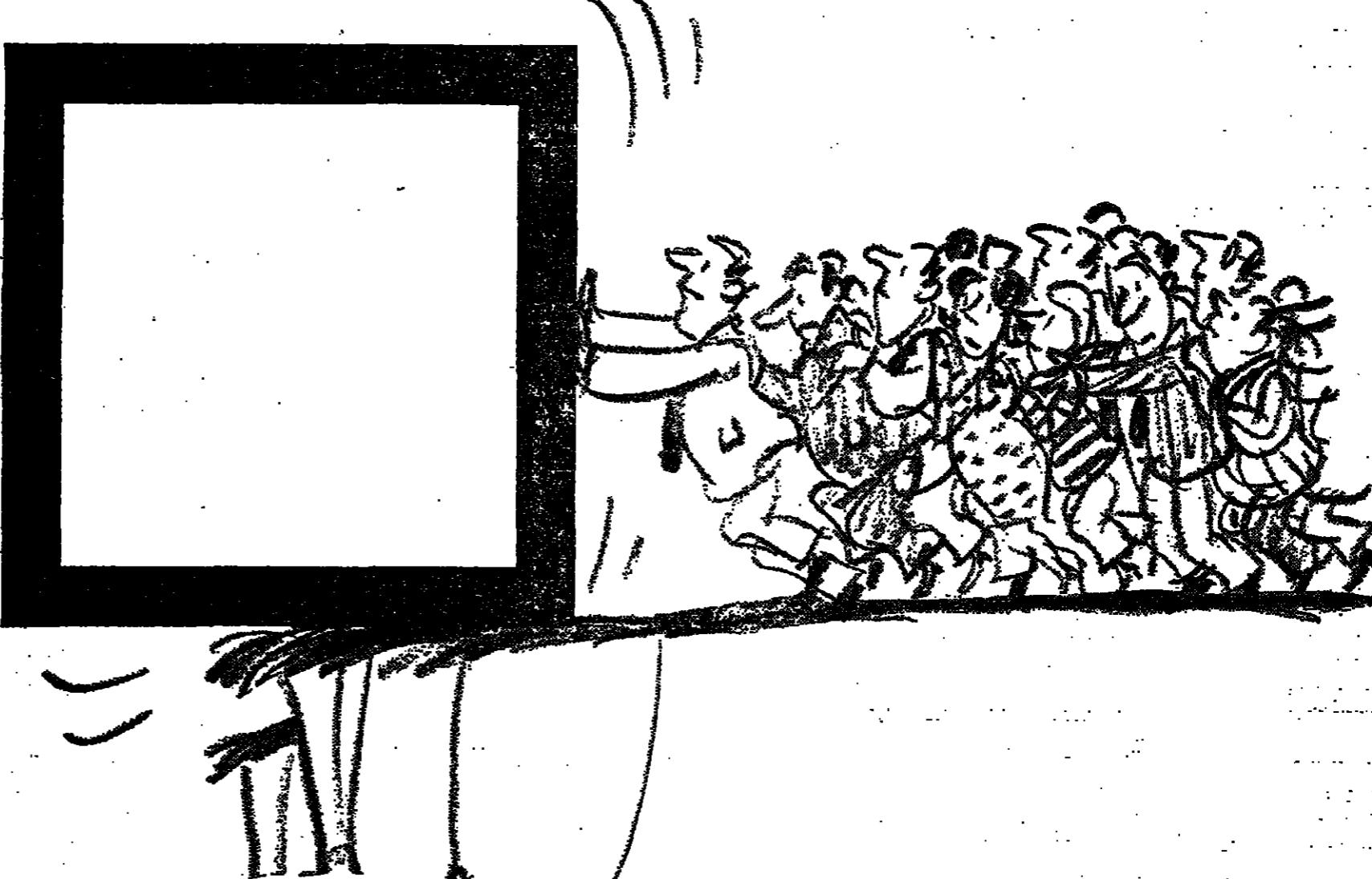
organised and healthy Commu-

nist Party as his monument

when he retires, as he says he

will, in 1985.

ICL is a major, profitable and growing British computer company with a considerable record of achievement at home and abroad. Several myths exist about the company, its operations, products and status. This message is one of a series designed to dispel the myths and describe the reality.



## MYTH: Britain doesn't need its own Computer Industry

## REALITY:

Computers are a massive world industry that is growing. With the world becoming more complex, industry, commerce and governments simply can't function without them. So, with many industries on the decline these days, it's fair to say Britain can't afford to miss out in this crucial market.

Computers are also the world's third largest industry after petro-chemicals and cars. The industry's turnover last year was estimated at an impressive £25 billion, making it the highest growth industry in the world.

Many countries have recognised this and have put massive support behind their computer industries. For instance, Japan and the USA both support their national computer industries intensively. This means that 98% of all public sector contracts in the United States are awarded to American computer companies, and 96% in Japan to the Japanese.

These countries, like Britain, have understood the potential and value to their economies of their own national computer industries.

Quite simply, to help build the future, Britain must stay ahead in high technology. We need to ensure the spin-off that will benefit other British industries. This means that we should never become totally dependent upon foreign systems. So, Britain does need its own profitable, competitive computer industry - and, at its heart, is ICL.

It needs the determination, faith and vision that has made a British company like ICL one of the leading international computer companies in the world today.

Don't decide on a computer company until you know about ICL.

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## 'Islamic autonomy' offer to Kurdish dissidents

BY PATRICK COOKSBURN IN TEHRAN

KURDISH REBELS have been offered "Islamic autonomy" by an emissary of Iran's President, Mr. Abol Hassan Bani-Sadr. The move is aimed at ending the simmering rebellion in Iran's western region.

Dr. Abdol-Rahman Qassemian, leader of the main Kurdish organisation, the Kurdish Democratic Party, said yesterday the offer had been made by Mr. Bani-Sadr's envoy, Ayatollah Yahiya Nouri. He has been in intermittent contact with Kurdish leaders for the last two months.

The Iranian army has not launched any significant attacks on the Kurdish guerrilla areas since the fall of the town of Derbent close to the Iraqi border after heavy fighting at the end of May.

Nearly all the countryside and

## Carter victory over voting at Democratic convention

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT JIMMY CARTER has won an important tactical victory over Senator Edward Kennedy in advance of next month's Democratic Party convention in New York, but appears to be no closer to bridging the deep divide separating the two Presidential contenders.

On Tuesday night, the party's convention rules committee responding to tightly imposed discipline, threw out a Kennedy challenge which, if it had been successful, could have turned the convention into a wide-open affair, shortening the odds against the Senator's nomination.

Mr Kennedy has sought to invalidate the rule under which delegates to the convention are bound by the first ballot to the candidate to whom they have previously been pledged. Mr Carter has a lead of about 750 in the delegate contest and only by freeing the delegates to do what they want can the Senator expect to reverse his numerical inferiority.

The full convention will still have the opportunity to vote on the rule at the start of its deliberations, and the often bitter debate in the committee fore-shadows a sharp confrontation in New York.

The Kennedy forces claim that many Carter delegates would willingly defect from the President if they were free to do so, a contention sharply rejected by Mr Carter's aides. They argue that there is no evidence that a single delegates will switch, let alone the nearly 400 needed for the Senator to carry the day.

But if the outcome in the committee was pre-ordained, the



Senator Kennedy . . . future ambitions could be dented

exchanges between the two sides amply demonstrated the depth of antipathy between supporters of the President and the Senator.

Mr Carter's adherents charged that the Senator was intent on destroying the party and handing the election over to Mr Ronald Reagan, the presumed Republican candidate. The Kennedy camp argued that the President simply wanted to turn the convention, which ought to be deliberate, into a "robot-like" session.

If this were not enough, over on Capitol Hill, the Senator himself was criticising the Administration's energy policies, complaining that failure to hold down the cost

of oil was biting deeply into the pockets of the poor and the elderly.

Even at a practical level, it is becoming increasingly clear that simple communication between the Carter and Kennedy camps is minimal. This is likely to make it all the more difficult for the losing candidate to promise to support his conqueror's election campaign for the good of the party and the nation.

Mr Carter's prospects in the general election would be seriously damaged if Mr Kennedy were to sit on his hands and encourage his supporters to do the same, or to vote instead for Mr John Anderson, the independent candidate.

But Mr Kennedy must also know that any ambitions for 1984 and beyond could be dented if he is perceived as the man who saddled the country with Mr Reagan—or who continued at Republican control of at least one house of Congress—in the eyes of many regular Democrats.

In spite of the stagnation in sales, champagne companies' profits are still improving, with prices having overtaken the general inflation rate since last summer.

This year prices are generally expected to keep in line with inflation—forecast at 13 per cent—but much will depend on the grape prices agreed on at the start of harvesting.

This is not now expected to take place before the second week of October.

Despite his two late brothers, who were both quintessential politicians, Mr Kennedy is a mixture of ideology and politician. The former characteristic militates against accommodation with Mr Carter, while the latter may, in time, work the other way. But there is no hard evidence to date that the Senator is willing to offer the President an olive branch, and those around him are probably even less inclined to make a deal.

## Anderson in Jerusalem

JERUSALEM — Congressman John Anderson, the outsider U.S. Presidential candidate, met Israeli opposition leaders yesterday to hear how they would approach the problems of Middle East peace on returning to power.

The Illinois Congressman was assured that there would be no change in Israel's insistence on retaining control over Arab east Jerusalem. "I told him there was no difference on this score between the Government and the opposition," Mr Shimon Peres, the Labour Party leader, said.

Since he arrived here, Mr. Anderson has been hearing complaints about the failure of U.S. to veto an anti-Israel

Reuter

resolution on Jerusalem last week in the UN security council. An editorial in the newspaper *Ma'ariv* denounced the U.S. abstention as "hypocrite incarnate."

Mr. Anderson also met former Prime Minister Yitzhak Rabin, Mr. Peres' chief rival for leadership of the Labour Party.

Earlier in the day Mr. Anderson's car was involved in a collision with an Israeli car at a crossroads. Alarmed bodyguards leapt out, tugging at pistols, but Mr. Anderson climbed untroubled into another car and proceeded on a visit to Mr. Yitzhak Navon, the Israeli President.

Reuter

## U.S. concern at gas price in Norway

By Our Oslo Correspondent

U.S. OFFICIALS are challenging the Norwegian Foreign Ministry and the Oil and Energy Ministry about the Norwegian price for natural gas, which under a contract from the U.S. field where British Petroleum is the operator, has been raised for the first time in parity with oil.

The contract was negotiated by the West German company Gelsenberg, a subsidiary of BP, and the Norwegian State-owned company StatOil.

Mr Egil Helle, of the Norwegian Oil and Energy Ministry, yesterday confirmed the agreement on price in the contract.

U.S. officials have stressed the importance of reducing the dependence of industrial countries on oil and of stimulating the use of natural gas. This change will take place more quickly if the price of gas is kept lower than the price of oil, they argue.

## Electricity rationing in Mexico City

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S industrial output could show a decline this month as a result of severe electricity rationing introduced last week in the capital.

The cuts were made because a severe drought has caused the level of hydroelectric dams to fall considerably. The Federal Electricity Commission also says that there are technical problems with some generators.

Industry in Mexico City and the surrounding area, where about 50 per cent of the country's companies are based, has been asked to exercise restraint and close for one day a week.

So far the rationing is voluntary but the Government has warned that if industry does not pull its weight, stricter measures could be taken.

## GM sets economy target

DETROIT — General Motors said yesterday that it is committed to achieving a fuel economy average for its cars of 31 miles per gallon by 1985, with a fully redesigned range of U.S. cars.

GM also disclosed that it is planning to introduce a small electric car powered by nickel oxide batteries as a 1984 model. At a press briefing the company displayed two experimental two-passenger cars.

Mr. E. M. Estes, GM's president, said the two vehicles could achieve 48 and 37 miles

per gallon in combined city and long distance driving. While the two units were not scheduled for production, he said, they "point the direction GM is going." He projected that four-cylinder engines will be used in 50 per cent of GM's cars by 1985, virtually displacing the V-8s, which accounted for about 60 per cent as late as 1979.

Mr. Estes said that by 1985, GM expects all of its cars to exceed 20 miles per gallon and 50 per cent to exceed 30 miles per gallon.

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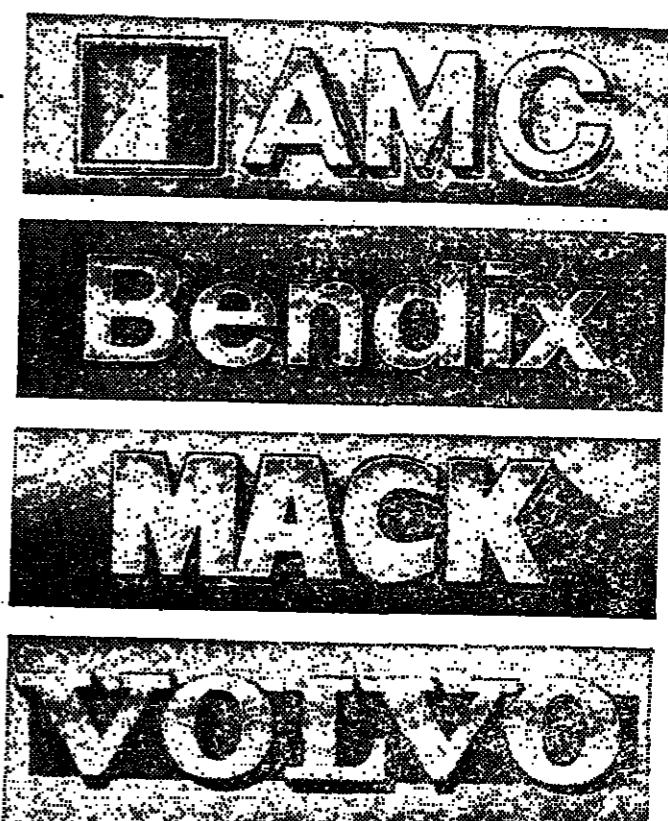
# “avec”

**Avec**\* 1 gallon of petrol, the Renault 5 TL will cover 57.6 miles\*\* (4.9 l/100 km). It's Europe's most economical small car. **Avec** more than eight million cars on the “autostrade,” “autobahns,” “autoroutes” and other motorways, Renault has become the №1 make in Europe. **Avec** the Renault 5 and the Renault 18, we



have two best-selling European cars. **Avec** EVE (Element for an Economical Vehicle) we are now completing a prototype that will give more than 62 mpg\*\* (4.5 l/100 km). That's a record. **Avec** EPURE (Element for the Protection of Users of the Roads and the Environment) we're preparing a much safer car for tomorrow. **Avec**, in fact, symbolises the thinking behind our efforts, our know-how, our success. All of us at Renault are to be reckoned **avec**. Long live **avec**!

**Avec** four large international companies, Renault has recently signed significant agreements. **Avec** Mack Trucks, the well-known American heavy truck builder. **Avec** Sweden's Volvo Car Corporation, car safety and reliability champions. **Avec** American Motors, builder of the famous “Jeep”. **Avec** Bendix, experts in automotive electronics. **Avec** each one, Renault has established close links. **Avec** each one, we've already established a sense of co-operation that's rewarding for all. **Avec** expresses the kind of growth we believe in, our philosophy. **Avec** demonstrates our traditional company policy, a work-with, grow-together policy. **Avec**, in any language, is a word full of promise.



## RENAULT



## UK NEWS

# MG Abingdon plant to close in October

BY JOHN GRIFFITHS

THE MG cars plant at Abingdon is to close in October. All 800 workers — with the possible exception of a handful who might be found other work at nearby Cowley — are to be made redundant.

It became clear yesterday that BL has abandoned hope of a last-ditch rescue from the Aston Martin-led consortium which three months ago agreed in principle to take over MG production — but which has since been unable to come up with the £25m needed.

BL has tried, but failed, to find any alternative work for the Abingdon workforce. After the annual two-week holiday starting this weekend, they will return to a two-day week, producing 260 cars a week until the October shutdown.

These cars, plus the several thousand currently unsold in the U.S. — the MG's main market — are expected to provide American dealers with enough stocks to last until spring. It is likely that an MG-badged version of the Triumph TR7 will then succeed the current MGB two-seater.

Statutory notice of 90 days' redundancy for the Abingdon workers is to be filed with the Department of Employment this week.

Redundancy terms are still under discussion; but in view of what BL describes as "the exemplary work record" at

Abingdon, employees will receive a discretionary closure bonus over and above normal redundancy terms. Payments for most workers will probably vary between £2,500 and £6,000, with higher payments possible to very long term employees. Abingdon traditionally has had the lowest level of disputes and labour turnover of any BL plant; a substantial proportion of employees have 15 or more years' service behind them.

The men will be paid a full weekly wage until the plant closes.

The closure will have an impact on BL jobs beyond Abingdon: within the next two weeks orders will go out to several other plants to wind down production of MG components. The MG's bodies are made at Swindon, gearboxes and engines at Longbridge, and the bodies are trimmed and painted at Cowley. Several hundred jobs are likely to go at these plants, although BL said yesterday that it expected them to be affected by voluntary redundancy and natural wastage.

Union officials at Abingdon yesterday said that they were "shattered" by the news that no alternative work could be found. Mr. Eric Brind, union convenor, said he was "terribly disappointed" that talks in the last week aimed at finding such work had failed. "We shall have to soldier on now, and concentrate on redundancy and

severance pay," he added.

About 100 other people are employed at Abingdon in the competitions department and on engineering work for Cowley.

They will almost certainly be relocated elsewhere.

The 42-acre Abingdon site is to be sold.

In the hope of alleviating some of the unemployment Abingdon now faces — MG is much the largest employer — BL is talking to local authorities and trade associations about the feasibility of selling the site in small lots to encourage new, smaller businesses into the town.

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The Aston Martin consortium has been talking to a potential Japanese financing source about a rescue. But since the weekend, when a board meeting was supposed to have taken place in Japan to decide on the deal, the consortium has lapsed into silence.

BL has said that even at this stage it is prepared to reopen discussions. But, it warned yesterday, the consortium has only about a week to come up with concrete evidence of its financial ability to effect the rescue.

## BL to sell Bounty only within EEC

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL WILL be excluded from selling the car it is to make jointly with Honda of Japan in countries outside the EEC.

If Spain, Portugal and Greece join the EEC, BL will still be excluded from those markets under the terms of its deal with Honda.

This emerged yesterday during BL's evidence to the House of Commons select committee on industry and trade.

Mr. David Andrews, executive vice-chairman of BL, said that the Bounty, the group's code name for the vehicle, would be built by Honda in Japan for its home market, North America and all other countries outside the Common Market as it is now constituted.

He told the committee that the engine and transmission for the Bounty would be imported from Japan as would the fascia panel which was a complicated plastic moulding not worth producing in Britain for the

relatively small number of cars involved — 30,000 a year.

He repeated BL's assurances that "the UK content (of Bounty) will be well in excess of half the cost of the vehicle."

But he was not able to give any indication of the number of Bounties which would have to be exported from the UK to cover the cost of importing the engines and transmissions and the royalty payments to Honda.

Questioned about the equipment recently installed at the Longbridge plant on which BL's other new car, the Metro, will be assembled, Mr. Andrews said his recollection was that more than 30 per cent of it originated in the UK.

Asked if the future of BL's volume car division really depended on the success of the Metro, due to be launched in October, Mr. Andrews replied: "If that car fails, it would put that part of the business probably beyond recall."

## Brewery switches to diesel cars

By John Griffiths

SCOTTISH and Newcastle Breweries is to replace its fleet of 1,100 petrol-driven cars with diesels.

This is believed to be the first such move in Britain by a big fleet operator.

S and N said yesterday it expected to save "hundreds of thousands" a year because of the diesel cars' lower fuel consumption.

The fleet will be phased in over the next three years.

The company said yesterday that investigations lasting two years had indicated the diesel fleet could provide a 100 per cent overall improvement in mileage, with halved maintenance costs.

About 650 of the plant's 3,700 workforce who all stand to lose their jobs by the end of September — travelled to London to lobby MPs and present a petition signed by 20,000 people to 10 Downing Street.

WORKERS from Consett steelworks took their campaign against the closure of the works to London yesterday.

About 650 of the plant's 3,700 workforce who all stand to lose their jobs by the end of September — travelled to London to lobby MPs and present a petition signed by 20,000 people to 10 Downing Street.

The closure of Consett steelworks in County Durham will leave the area with one of the highest unemployment rates in the country, with between 30 and 40 per cent of adult men out of work. There are no other large employers in Consett, which is geographically isolated.

The workers argue that after the redundancies last year, the plant has a good productivity record and is now in a position to be permanently profitable.

The British Steel Corporation has said that the demand for billets, small logs of wood used as fuel, has fallen because of the recession in the motor and engineering industries. BSC say closure of the plant is unavoidable.

The Consett closure is the last really sensitive item on BSC's rationalisation list which is cutting 32,000 jobs in the industry, though further cuts are expected.

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# Dear oil may halt work on plant

BY MAURICE SAMUELSON

A £300M OIL-FIRED power station in Northern Ireland, under construction for the past 16 years, may remain only half-completed because of the price of oil and over-capacity in the province's electricity industry.

It is the 1250 Mw Kilroot power station on Belfast Lough, designed at a time of low-cost oil. The Northern Ireland Electricity Service (NIES) has proposed converting two of its four generating sets to burn coal as well as oil, in line with the Government's energy policy. However, the Government is believed to have refused to back

the cost of such a conversion, which involves not only new boilers, but providing installations to handle coal brought in from Britain and the U.S.

The oil-fired part of the plant will be completed, but the NIES is in no hurry to bring it on stream. The first oil set is now expected to be operating next spring, three years later than planned. The second oil set, the NIES says, is due to be completed in 1984. But whether it is ever used will depend on the future level of demand. This stands at about 2,000 MW a day.

The NIES is eager to sell its

excess electricity to the Irish Republic, which is short of generating plant, and would also welcome such an arrangement. However, this depends on the restoration of the inter-connector between Ulster and the Republic, which was put out of action by the IRA five years ago. At least two attempts to restore the link have failed.

Ulster's abundance of electricity is also adding to the troubles of the Northern Ireland gas industry, which faces extinction because of the Government's refusal to connect the Northern Ireland Gas Employers Board of which Mr. McCusker is chairman.

natural gas gathering system. In the Commons tomorrow, Mr. Harold McCusker, the Official Unionist MP for Armagh, will urge the Government to review its decision not to build a gas pipeline linking Northern Ireland with Scotland.

A claim that such a pipeline is economically feasible was published yesterday by Coopers & Lybrand Associates, the financial consultants. The company's study of the problem was carried out on behalf of the Northern Ireland Gas Employers Board of which Mr. McCusker is chairman.

The Government originally turned down the natural gas pipeline on the grounds that the scheme would cost £56m (at 1976-77 prices) and that British Gas consumers in Great Britain would be heavily subsidising Northern Ireland consumers.

Coopers & Lybrand points out that natural gas would be cheaper than the naphtha, from which Northern Ireland's town gas is made, and that the existing gas network could be expanded. The pipeline and associated investment would give a real return of 12 per cent, the report says.

## Minister plans no changes in electricity supply

BY MARTIN DICKSON, ENERGY CORRESPONDENT

MR. DAVID HOWELL, the Energy Secretary, is expected to tell the House of Commons that he does not intend to make any statutory changes in the structure of the electricity supply industry in England and Wales.

The industry consists of the Central Electricity Generating Board, responsible for the bulk supply of power, 12 area boards responsible for retail sales, and the Electricity Council, a co-ordinating body which has a mainly advisory role.

The Government's decision is the final rejection of the Plowden Committee report of 1976 which argued that the industry lacked strategic control and direction, and recommended its unification under a single statutory body.

The Labour Government drew up a Bill which would have partially implemented the committee's recommendations,

but fell when the Liberals refused to support it.

Mr. Howell is expected to stress that he wants to see closer co-operation between the various branches of the industry, but to argue that he already possesses the necessary powers to improve co-ordination.

The Government's decision will be generally regarded as a setback for Sir Francis Tomba, chairman of the Electricity Council. He had been keen to turn the council into a strong central body, along the lines recommended by Plowden.

The CEBG, whose relations with the council are uneasy, had been anxious to resist such a development.

This stems partly from the fact that the CEBG controls some 80 per cent of the industry's expenditure, giving it powerful political muscle, with the council being limited to a

## Powell forecasts cut in energy prices

BY MAURICE SAMUELSON

"THE REAL price of oil-based energy will decline during the years ahead," Mr. Enoch Powell, MP for Down South, said yesterday.

The Government has also been considering the possibility of giving area boards a mechanism for appealing against the CEBG's tariffs.

The Government is concerned about the efficiency of the CEBG, a monopoly which has no direct contact with the consumer, and has asked the Monopolies Commission to investigate its performance.

worse still, subsidising them to do so.

Mr. Powell said that the U.S. Government's policy of holding down production in the face of market demand was "sublime in its stupidity," but it could not do so for ever.

"So plentiful and so fiercely competitive will be the sources of energy in general that many of those who are now investing heavily on the contrary assumption will be ruined," he told the Heating and Ventilating Contractors' Association in London.

Nothing was "more futile or pathetic" than the spectacle of governments telling their people to economise on fuel when the price of it was rising and,

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## British Airways - top and bottom

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS top the lists as the most loved and the most disliked airline for overseas travel, according to a survey of passengers carried out by the International Airline Passengers Association

The survey has shown that 18.7 per cent rate British Airways as the most preferred airline for travelling overseas, but another 32.7 per cent said it was the airline they would most try to avoid.

### General service

The reasons cited by those for and against British Airways was the standard of general service, meals and late flights.

Second in the list of preferred airlines was Swissair with Singapore Airlines, Lufthansa and British Caledonian third, fourth and fifth respectively.

Aeroflot, the Soviet airline, was the second in the list of airlines to be avoided, with Pan American third.

## Gilt-edged appetite is insatiable'

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE LIQUIDITY of the City's main financial institutions has fallen to a low level over the past few months according to a survey by stockbrokers Fielding Newsom-Smith.

The brokers estimate that the spare cash held by insurance companies and pension funds at the end of June was about £1.8bn. This was roughly £500m lower than May and implies that most of these institutions are fully invested.

This follows large sales of gilt-edged stocks in recent months. The survey, based on replies from funds valued at about £26bn, was conducted before the exhaustion of three tap stocks last week. The extent of their involvement shows that their spare cash will be even less than the survey indicates.

Fielding Newsom-Smith argues that, since the domestic institutions seem to be well invested, the gilt-edged market could be due for a period of consolidation. But this process could prove short-lived if the foreigners' seemingly insatiable appetite for gilts continues.

Last week's cut in Minimum Lending Rate has been welcomed by brokers Simon and Coates. They say there is now clear evidence that the recession is reducing private credit demand and that the process of reducing interest rates is to begin.

### Thames day

BOAT RACES and other attractions including fireworks are being planned by the Greater London Council for its "Thames day '80" to be held on September 13 on the river between Hungerford and Westminster Bridges.

## £4.3m plan to treble saw mill production

FINANCIAL TIMES REPORTER

A £4.3M EXPANSION and modernisation scheme has been announced by Riddochs of Rothiemay for its saw mill at Kilmallie, Fort William, Invernesshire.

The scheme brings some hope of new jobs to the Lochaber area which recently suffered from the closure of the Wiggins Teape Pulp Mills.

The plan will secure employment for the 100 saw mill workers and create 30 jobs over the next three years.

While not compensating for the loss of the pulp mill, it will sustain at least 60 related jobs in the Forestry Commission, benefit private forestry interests, bring additional spending and employment to service industries and save about £3m a year in timber imports.

Existing plant is to be replaced by computer-assisted automatic methods which will almost treble production. The development will be financed by public and private investment.

The Highlands and Islands Development Board is giving an interim relief grant of £363,000 and the Scottish Development Agency is investing £225,000 in preference shares.

Moragres and Kirkhill Investment and Management, which bought Riddochs in 1978, is investing a further £100,000 in preference shares. Added support is provided by Midland Bank Industrial Finance through £225,000 preference shares, and other facilities from Midland Montague Leasing and the Clydesdale Bank.

Mr. Simon Fraser, chairman of Riddochs said: "For the first time this century anyway, there will be a sawline in the UK able to match in terms of quantity and quality of output the best in Scandinavia or North America or anywhere else."

## Newcastle to stage trade exhibition

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

NEWCASTLE IS to launch a major business and industry exhibition in September as part of its Newcastle 900 promotion to mark nine centuries of existence.

More than 200 companies and organisations, many in the high-technology field, will take part in what the organisers, Newcastle and County Tyne and Wear, claim is the largest exhibition in the north of England since the Great Exhibition in Newcastle in 1929.

It will be held in the city university from September 4 until 12.

Its aim is to show what can

be made in the area and convince potential new companies that the north east is as capable of supporting micro-electronic industries as of turning out the traditional engineering and shipbuilding products on which its original prosperity was based.

Launching the exhibition in London, leaders of both councils said that emphasis would be placed on the area's links with Scandinavia and the newer connections with the EEC.

The EEC is to hold a full-day conference in the second week and follow it with specialist seminars.

## £1m to boost fibre output

BY ELAINE WILLIAMS

MCKEECHIE Refractory Fibres, part of the £200m McKeechies Brothers group, is investing more than £1m to increase its output of ceramic fibre for use in heat insulation.

The six-year-old company, which had a turnover of about £1.5m last year, hopes to increase the workforce at its Widnes factory from 30 to 20 per cent a year.

more than 100 in the next few years through a joint venture with C.E. Refractories, a subsidiary of Combustion Engineering—a U.S. company with a turnover of \$3bn (£1.27m).

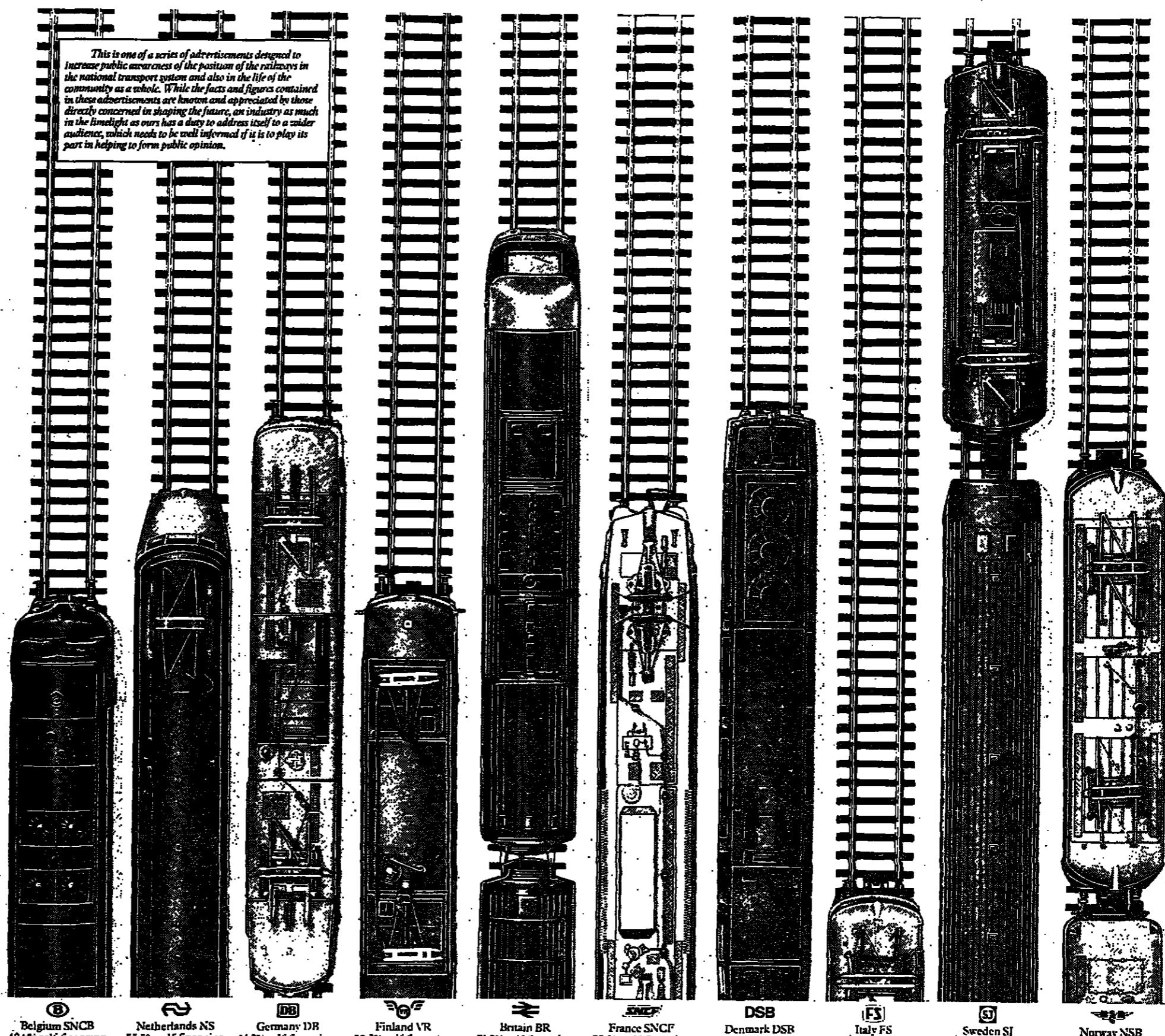
The expansion is to meet growing interest in energy conservation through heat insulation. The UK market is worth £3m and growing at a rate of 12 per cent a year.

Wool textiles production drops

BY JAMES McDONALD

THE ONSET of recession in the textile trade is reflected in latest production statistics for the wool-textile and hosiery, and other knitted-goods sectors, published by British Business, the journal of the Department of Trade and Industry.

In wool-textiles, the volume of output index for March, seasonally adjusted, was 12 per cent lower than a year before. Wool Industry Bureau of Statistics show that deliveries of woven fabrics, excluding blankets



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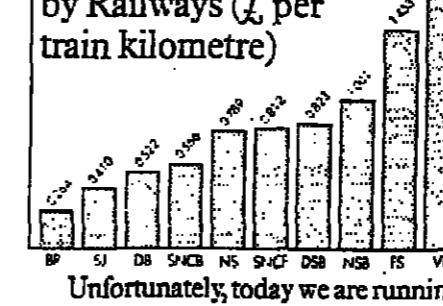
A recent study of European railways, based on 1977 data, showed that, apart from Sweden, the relative contribution our community makes to the cost of rail travel is the lowest.

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pegged in 1975 and since then, in real terms, it has declined.

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*\*THE SWEDISH EXPERIENCE.* Since the collection of data in 1977, the situation of the railways in Sweden has changed drastically. A massive injection of national funds has precipitated a re-appraisal of investment plans and the fares structure. The experiment has really only just started but the first signs are that the railroads have increased their relative importance in the transport network.

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Box G6

## Women's rights 'seen as luxury'

By PAULINE CLARK, LABOUR STAFF

RESENTMENT at lack of progress towards equality for women and deterioration in the standards of their pay and jobs last year was reported by the Equal Opportunities Commission yesterday.

In its fourth annual report to Mr. William Whitelaw, Home Secretary, the Commission, headed by Lady Lockwood, also forthrightly attacks Government policies in areas which it says are frustrating its aims.

The report paints a depressing picture of the disproportionate effect the economic climate is having on working women. It indicates that equal opportunities are being treated as a luxury the country cannot afford, while morale is being further damaged by proposed laws on immigration and on maternity rights.

The effects of the economy were shown most clearly however in women's earnings and unemployment trends last year. Between 1977 and 1978, women's gross hourly earnings had fallen from 75.5 per cent to 73 per cent of men's earnings.

Expressing "alarm" at the trend, the Commission predicts more deterioration "until the Sex Discrimination Act is being implemented in full force."

On women's job trends, the Commission recorded that while male unemployment fell between 1978 and December 1978, female unemployment rose by some 5 per cent.

This rise, combined with the increase in the inflation rate

## Award returned to AIMS

By Nick Garnett

SHEERNESS Steel, under the threat of industrial action, returned an award yesterday made to it as a reflection of its industrial relations record.

Following talks between the company and officials of the Iron and Steel Trades Confederation the company agreed to send the small wooden block and plaque back to AIMS, the free enterprise organisation.

AIMS said it had presented the award largely because of the splendid industrial relations, achieved over a period of time, at the private steel makers.

The workforce at Sheerness refused to join the national steel strike earlier this year.

Sheerness originally refused to return the award but had since been persuaded to do so by union officials who had been threatening a 24-hour strike.

AIMS said yesterday: "Sheerness has put its relations with its workforce before an award — and that shows the right kind of priority which won the award in the first place."

The proposal to remove some of the present maternity leave benefits had also given rise to concern.

The present Equal Pay Act

came under harsh criticism for being too rigid. This was shown in the "substantial" number of inquiries on equal pay which the Commission was unable to deal with because there

appeared to be no remedies under the Act.

## White-collar threat to disrupt Ford production

By NICK GARNETT, LABOUR STAFF

WHITE-COLLAR UNIONS have threatened to disrupt the production of the new Ford Escort, codenamed Erika, over the company's decision to seek 2,700 redundancies in its UK workforce.

The unions, which are meeting the company tomorrow, are looking for further information on the reasons for the redundancies.

The company has told the unions that the redundancies are necessary largely because of the fall in demand for UK-produced Ford components for the company's European plants.

It told national officials of its manual unions on Monday that it hoped that the redundancies could be achieved voluntarily. If this was not possible it would be seeking further meetings with the unions.

TASS, the white collar sector of the Amalgamated Union of Engineering Workers, said yesterday that the unions believed that the redundancies reflected an attempt to per-

manently to scale down the company's UK operations.

It said that the company had suspended the redundancies programme because of the threat to disrupt the introduction of the Erika to be launched after Ford's summer plant shutdown.

The car is to be produced at Halewood, Merseyside, with engines from Ford's Bridgend plant.

The manual unions suggested on Monday the wider use of short-time working to meet the fall in demand but this was not acceptable to the company. The management appeared to leave that meeting with the feeling that the manual unions accepted the position reluctantly.

Ford sees the downturn in demand and the consequent redundancies as a medium rather than short-term problem.

An upsurge in demand would not necessarily result in re-staffing to existing levels.

because of the company's continued drive to improve efficiency.

## Half-time work accepted

By RAY PERMAN, SCOTTISH CORRESPONDENT

WORKERS AT Leyland Vehicle's Bathgate truck and tractor plant in West Lothian yesterday unanimously accepted a company proposal to start half-time work in response to falling orders.

When they return from the summer break in mid-August, the plant will operate for one week in two. The arrangement will be reviewed monthly.

After a meeting yesterday, Mr. Jimmy Swan, shop stewards' convenor, said that the workers understood that the motor industry was experiencing its worst recession since the 1930s.

They did not want Bathgate to be a casualty. The alterna-

tive to short time working would be 1,900 redundancies, he added.

Shop stewards will also urge local MPs to press the Government to introduce import controls on commercial vehicles and to campaign for the easing of restrictions by other countries on British exports.

Leyland described the decision as a commonsense approach.

About a thousand workers will stay on full time work at Bathgate, maintaining essential services and preparing for the introduction of improvements to the tractor range, and new truck models, due to go into production next year.

**TUC to campaign on jobs and economy**

By JOHN LLOYD, LABOUR CORRESPONDENT

UNEMPLOYMENT and the crisis in the UK manufacturing industry will be the major themes of the TUC's campaign for economic and social advance.

Leaders of the country's largest unions, meeting in the TUC's economic committee yesterday, agreed that a report recommending a campaign on unemployment should be submitted to the TUC congress in September.

The committee considered proposals from trade unions on the future shape of the campaign, the major event being the Day of Action on May 14.

One proposal from the General and Municipal Workers Union, argued for greater highlighting of unemployment in future agitation, and closer co-operation with the Labour Party.

The TUC will meet the Labour Party's shadow cabinet at a meeting of the TUC-Labour Party liaison committee on July

## Kent miners urge action against closures

By CHRISTIAN TYLER, LABOUR EDITOR

MINERS' fears of another round of pit closures erupted yesterday, during an impromptu debate at their annual delegate conference in East Kent.

The warring Left and Right factions in the National Union of Mineworkers, united in mutual determination to mount a campaign throughout the coalfields against any closure.

As last year, the debate was given extra impetus by the presence of a lobby of South Wales miners, this time from Ty-Mawr Colliery, which is one

of a dozen pits in the area under scrutiny.

The conference carried unanimously a resolution from the cokemakers asking the NUM executive to demand an immediate subsidy on coal and coke from the Government.

But the real focus of the debate was an amendment from the small Left-led Kent area, asking for necessary action to prevent any further closures.

The rundown of the British Steel Corporation and its con-

tinuing importation of cheaper, foreign coking coal, has been a worry to the South Wales union leaders and local politicians for many months.

Yesterday Mr Arthur Scargill, the Yorkshire miners' leader, repeated his charge that the National Coal Board had a list of 50 uneconomic pits that it wanted to close.

Mr Scargill said: "If a pit is threatened in South Wales... that is a threat to a pit in Yorkshire. We shall take industrial action."

Mr Michael McGahey, Scottish president, called for an "agitational campaign" spanning coalfield boundaries, and for rallies of the miners. "Let us adopt the old slogan which is as true now as it was in the past — educate, agitate."

Sir Derek Ezra, NCB chairman, who had listened to the debate, tried to placate the miners with promises of a bright future for coal after what he called short-term difficulties. The Board, he said, had set up a democratic review procedure

involving the union, to determine what geological conditions made a pit unworkable.

He told a press conference afterwards: "Everyone who is in mining knows that pits eventually have to close because they just come to the end of the coal." There was no point in pouring investment money into a pit with serious geological problems.

The fact that 12 South Wales pits were "in difficulties" did not mean that all of them would be shut, he said.

## Industrial civil servants warned of 14% pay limit

By PHILIP BASSETT, LABOUR STAFF

LEADERS OF 180,000 industrial civil servants have been told informally by Ministers and Government officials that no more than 14 per cent will be available for their annual pay increase due this month.

This is in the face of evidence compiled by the Independent Pay Research Unit on the basis of outside movements in pay

which, according to union sources, shows rises of more than 25 per cent allowed for under the pay provisions of the service's cash limit.

But the prospects of a significant improvement are not high. Mr. Paul Chanon, Civil Service Minister, has already told the unions of the necessity of sticking strictly to the cash limit.

The 12 unions involved, though, are unlikely to be able to exert effective pressure to close the gap by means of industrial action. Two years ago industrial civil servants blocked the movements of three quarters

of Britain's nuclear submarine fleet in support of their pay claim, but action called last year over the imposed staging of a pay award collapsed all but

completely.

There seems little feeling again this year for taking action.

The Civil Service Department

is expected to put forward a formal pay offer next Wednesday. The unions hope the offer may be higher than the 14 per cent allowed for under the pay provisions of the service's cash limit.

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of Britain's nuclear submarine fleet in support of their pay claim, but action called last year over the imposed staging of a pay award collapsed all but

completely.

The department said it was impossible to give such a guarantee across the whole of the service. It was possible that there would be pockets of staff who were liable to be made redundant.

The department officials stressed, too, that the introduction of new technology in the service was an important element of the Government's drive to reduce the number of civil servants.

The unions were sharply critical of remarks made last month by Mr. Paul Chanon, Civil Service Minister, who told the

National Economic Development Council that equipment was ready to be installed.

The Government would, if necessary, have to insist that the equipment be used, despite union opposition.

Senior civil servants in Whitehall yesterday left work early to attend a protest meeting called to voice opposition to the Government's decision,

announced on Monday, to reduce the pay increases recommended for them by the Top Salaries Review Body, chaired by Lord Boyle.

The review body on armed forces pay yesterday recommended increases on salaries of medical and dental officers which would add 18.8 per cent to the group's pay bill.

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## UK NEWS = PARLIAMENT and POLITICS

Ivor Owen on the Northern Ireland White Paper debate

## Warnings of hazards ahead

THE DAUNTING prospects facing the Government in seeking a solution to the Northern Ireland problem through a devolution of power on the bases outlined in the White Paper published last week were underlined from both sides of the Commons last night.

Sombre warnings of the hazards ahead punctuated a major debate on the White Paper which Mr. Humphrey Atkins, the Northern Ireland Secretary, told MPs he hoped would set the "keynote" for the further round of talks which is to be the next stage in the developing of the Government's policy.

Apart from the expected condemnation by Mr. James Molyneaux, Leader of the Official Ulster Unionists, who refused to participate in the earlier inter-party discussions conducted by Mr. Atkins, the Rev. Ian Paisley, Leader of the Democratic Ulster Unionists, admitted that if the White Paper proposals were submitted to a referendum they would be defeated.

Mr. Julian Amery (C. Brighton Pavilion) also questioned the thrust of Government policy, and Mr. Ivor Stansbrook (C. Orpington) tartly demanded an assurance that the Government had not abandoned its election commitment to the people of Northern Ireland.

For the Opposition, Mr. Brynmor John showed little enthusiasm for the proposal which he claimed was most favoured by the Government—an executive based on majority rule but supported by a new second body known as a Council of the Assembly.

Labour MPs, he said, would prefer a return to some form of power sharing with the majority and the minority communities represented on the executive.

Mr. Molyneaux likened the White Paper to political graffiti—"a grotesque caricature of democracy."

He stressed that his party

would be prepared to take part in sensible discussions with Mr. Atkins on proposals which might stand at least some chance of working.

Enlarging on the question posed by Mr. Stansbrook, Mr. Molyneaux argued that the Government had departed from the proposals in the Conservative election manifesto, as a result of pressure exerted by the Foreign Office.

The Foreign Office loathing for the manifesto proposals, he conceded, reflected the fact that they were unwelcome to the Irish Republic and the Irish American lobby in the U.S. who were opposed to the union of Northern Ireland with Britain.

As for the White Paper, Mr. Molyneaux solemnly insisted that never before had such a set of proposals been subjected to such public ridicule.

Little of real practical value has emerged despite all the kite flying and speculation of the past 15 months.

He did not think that any leader of Ulster opinion had anything to fear from anyone in the House of Commons so long as he represented the views of those who had sent him to Westminster.

Mr. Paisley emphasised his concern about the security of a failure to agree.

could be seen as a continuation of the cynical game of leadership destruction which had been played in Northern Ireland over the past decade.

One Ulster leader after another he said, had been cynically used and then discarded like an orange sucked dry.

Mr. Molyneaux insisted: "There must be an end to this favourite past-time of snaring and tempting Ulster's indigenous political leaders into false paths with their inevitable rejection by those who had placed their trust in them."

He urged the Government to do nothing more which could damage further political cohesion and political stability in Northern Ireland.

Mr. Paisley scoffed at Mr. Molyneaux's suggestion that Ulster political leaders who cooperated with the Government in the consultations which led to the White Paper might have endangered their positions.

It would be "a phase of discussion and negotiation."

He stressed that in considering whether or not to agree to a transfer of power within the framework of the Government's proposals, the political leaders and people of Northern Ireland would do well to ask themselves what would be the consequences of a failure to agree.

situation in Northern Ireland and insisted that any effective Government in the Province must be in a position to deal with the defence and safety of its people.

Mr. Paisley warned that if a new assembly did not have responsibility for security the people would be bound to ask whether it was worthwhile to have an assembly at all.

Mr. Gerry Fitt, the former leader of the Social and Democratic Labour Party, said he believed that the vast majority of the Catholic Community in Northern Ireland would be prepared to accept an assembly—elected on the basis of proportional representation—and a PR Executive.

Mr. Atkins said the debate marked the opening of the next phase in the development of the Government's policy for Northern Ireland.

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## Drop bipartisan approach—PLP

BY ELLINOR GOODMAN, LOBBY STAFF

LABOUR BACKBENCHERS

yesterday pressed the Opposition Front Bench to drop its bipartisan approach to Northern Ireland and adopt unification with the South as long term goal.

The call came at a special meeting of the Parliamentary Labour Party yesterday morning, just before the debate on the Government's White Paper on Northern Ireland.

The meeting was only sparsely attended but it was clear from the speeches that a

number of those backbenchers interested in Northern Ireland feel that discussion on the subject within the party has been suppressed and that Labour should use its period in Opposition to re-examine its attitude to the whole subject.

The majority of the 11 speakers were in favour of working towards unification. They argued that nothing should be done in the short term to prejudice that aim.

The view of successive Labour Governments has been

that any solution to the Northern Ireland situation had to be acceptable to both Catholics and Protestants. This effectively rules out unification.

Yesterday, Mr. Brynmor John, Labour's spokesman on Northern Ireland, headed off the cause by arguing that the meeting had been called to discuss the specific issues raised by the White Paper and that it was not therefore the right time to raise the issue of unification.

## 'Change structure' of Civil Service

By Robin Pauley

THE CIVIL SERVICE Department has been a total failure which has not run out of steam because it never had any steam. Lord Crowther-Hunt, a former Minister of State for Higher Education and a member of the Fulton Committee on the Civil Service, told a Commons Select Committee yesterday.

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## Carrington attacks Israel on West Bank policies

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT



seas aid was the overwhelming need for the oil-producing countries to play a much bigger role by using their huge surpluses to help the developing world.

This year it would cost the developing countries \$35m more to import the same amount of oil as in 1979. This was a bigger sum than the \$22bn in total Western aid to the developing countries in 1979.

"It is inevitable that we should look to those who are accumulating enormous surpluses to make a major contribution to mitigate the effects of oil price increases in developing countries," he declared. "And yet OPEC aid to the developing countries is now below the level that it was in 1975."

On the question of the Brandt Commission Report on overseas aid, Lord Carrington took a similar line to Sir Ian Gilmore, Deputy Foreign Secretary, in a recent Commons speech. The Foreign Secretary emphasised that the private banking sector should play the principal role.

The EEC suggestion that the PLO should be associated with negotiations did not constitute official recognition of the PLO. It reflected the belief that the PLO enjoyed considerable Palestinian support in the occupied territories and elsewhere and this could not be left out of account if a lasting settlement was to be reached.

The Foreign Secretary wanted to make it absolutely clear that the Nine did not condone unacceptable PLO policies and actions. Britain emphasised that these sanctions would bring about reforms in South Africa, but he thought they would hit South Africa's neighbours, and would be a "tragedy for Africa and the world."

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The document will still be published today. Included in it will be a number of proposals

## Party row over Labour manifesto

By ELLINOR GOODMAN, LOBBY STAFF

LABOUR'S proposed draft manifesto was at the centre of a major internal party row yesterday as a press conference to launch it was cancelled at the last moment after objections from Mr. Michael Foot, the Deputy leader.

Behind the decision—announced with no explanation—was a long simmering row over the Left's attempt to take control of the party manifesto and to consolidate tactical gains made at the party conference last year.

The document will still be published today. Included in it will be a number of proposals

—like abolishing the House of Lords, renationalisation without compensation, nationalising the banks, and abortion on demand—which Mr. Callaghan would have to keep out of any election manifesto.

But Mr. Anthony Wedgwood Benn, one of the three national executive members due to chair today's press conference, will be deprived of the platform to promote it. He will not therefore be able to publicly commit the party to debating it at this year's party conference as some of Mr. Callaghan's supporters had apparently feared he would.

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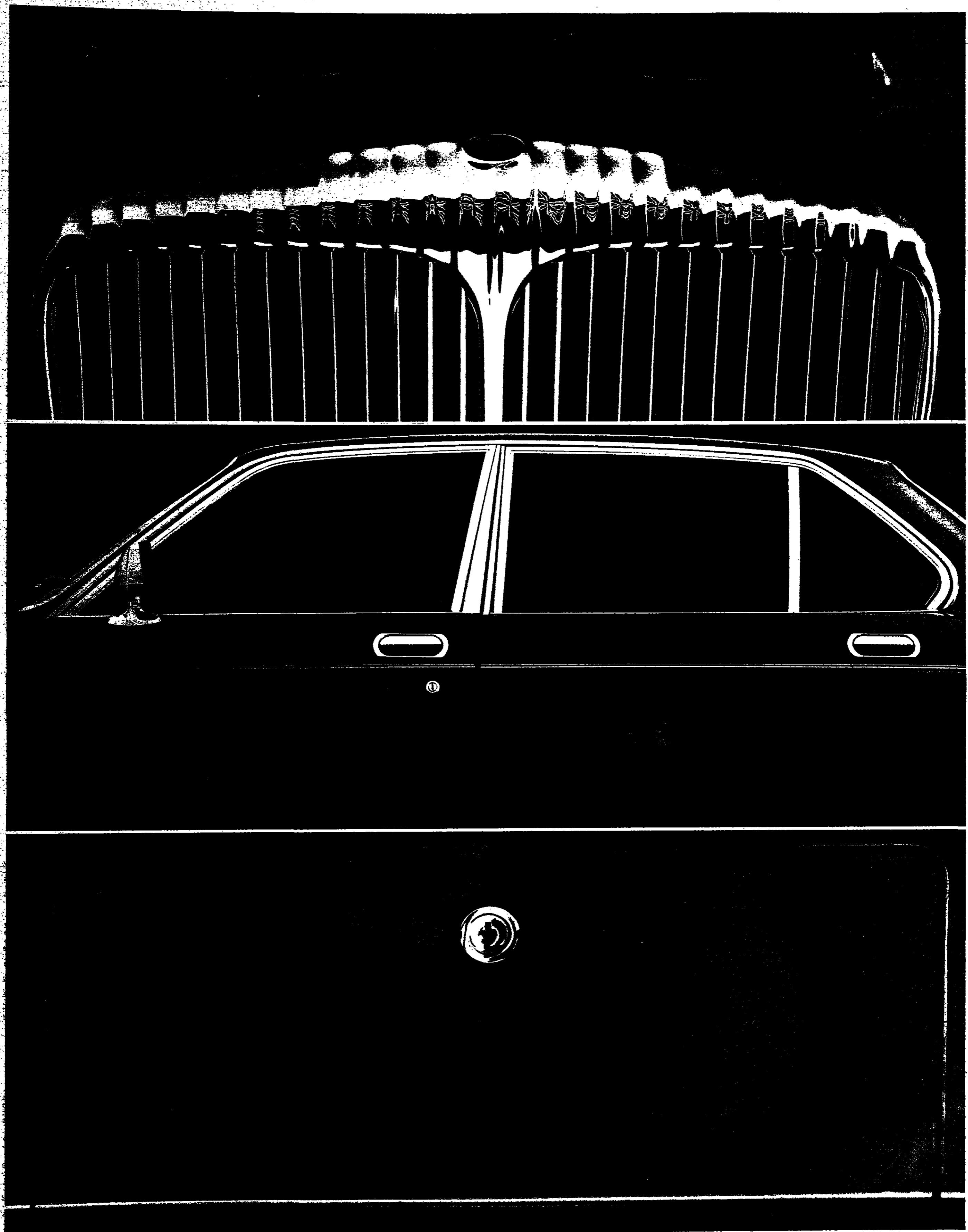
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A

## THE MARKETING SCENE

## JWT answers back with business gains of £10m

J. WALTER THOMPSON has apparently weathered recent problems. In the past two months, what was once Britain's biggest advertising agency has flicked up its skirts and put together a succession of new business wins, the latest of which is next year's launch of the Philips VLP Video Disc. Initially, the disc business will be worth £500,000, but is bound to grow. JWT's new business gains so far this year total more than £10m. Last week won the £1m St Ivel Gold dairy spread account from House Massini Pollitt. Other wins include the Huntley and Palmer range from Associated Biscuits, Scoties (£600,000) from Bowater-Son, Bacardi (£1m), Soya Mine (£750,000) from Brooke Bond Oxo, and Irish Velvet (£400,000)

from the Findlater Matta division of Beecham. JWT had a poor year last year. Mainly as a result of the ITV strike, billings fell from £64.4m to £52.8m, and profits were reduced by 30 to 40 per cent. It surrendered the top spot in UK billings to Saatchi and Saatchi and appeared to have run out of steam. Its revival could not be better marked. Projected main-agency billings this year are already £51m, excluding new business gains. First-quarter billings were 60 per cent up on last year. After its recent indifferent showing, the agency says it took "certain internal steps" towards rejuvenation.

In part, its troubles stem from past success. Chairman Jeremy Bullmore agreed in May

that the agency had been far less successful in the growth areas of advertising, such as retail, than it might have been.

"We are seen as the best packaged goods agency with the very best track record in developing new brands," he said, expounding an attractive philosophy of advertising-in-success. "Our reputation is so strong that it makes non-traditional clients, like retailers, consider us unsuitable. If our reputation were worse, we would have run out of steam."

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## Johnson for S. Africa

MIKE JOHNSON, joint managing director of D'Arcy-Macmanus and Masius, is to take over the chairmanship of Masius's South African operation at the end of September.

He joined Masius in 1968. Before that he worked for 11 years on the marketing side of Unilever, the last three of which as marketing director of Lever in Thailand.

Over recent years he has emerged as one of the shrewdest and most coherent spokesmen for the advertising profession, as well as a vigorous defender of the full-service agency system.

Masius has been active in South Africa since 1971. It has offices in Johannesburg, Pretoria and Cape Town.

Mr. Johnson's client responsibilities at Masius in London included Mars, its Pedigree



Mike Johnson of Masius: one of advertising's shrewdest spokesmen

Petfoods subsidiary, Beecham, Carnation and National Building Society. He has also been highly active on the administrative and new business fronts.

Masius is not short of top

management in London. Chairman David Lee has resumed work after a mild heart attack earlier this year, and there are two deputy chairmen, Bert de Vos and Dick Wrathall. Alan Clark now becomes sole managing director.

Mr. Lee said this week that Mr. Johnson had made a major and lasting contribution to the London agency's organisation and operation. "His executive talents, together with his enthusiasm for the advertising business, will, I am sure, guarantee his success in the challenging role in South Africa."

Masius clients in South Africa include Colgate, Mobil, Hoover, Brooke Bond, Oxo, White Horse Whisky, Mercedes and General Tyre.

Masius is Britain's third biggest advertising agency, with billings last year of £64.5m.

Management

## A taste for chicken

BRITAIN HAS developed a morbid taste for chicken. In 1979, total UK chicken sales, including fresh, frozen and portions, climbed to 311,000 tonnes, putting them second only to beef (468,000 tonnes), with pork (240,000 tonnes) and lamb (237,000 tonnes) trailing some what behind.

The total chicken market last year was worth £364m, which explains why Farmer's Table, a subsidiary of Fitch Lovell, is spending £100,000 this summer to promote its branded chicken.

The campaign, it says, will be concentrated in the Southern TV area, where its sales strength lies. The objective will be to

promote awareness of the brand in a market where the consumer generally displays little brand loyalty.

Farmer's Table has an estimated 8 per cent of the market, behind Buxted (part of Imperial Foods, an estimated 35 per cent), Sun Valley and FMC (around 11 per cent) and Marshall's (10 per cent). Moy Park, part of Courtaulds, is fifth.

Since 1975, the total spent on chicken advertising has grown nearly five times in real terms. In the past, it was mostly generic, although branded advertising now accounts for around 40 per cent of the total. Fitch Lovell grows all its own

chickens. It has approximately 45 farms and four factories.

Farmer's Table says its new commercial, by Saatchi and Saatchi, stresses the voluptuousness of fresh chicken, because this is the growth area in a basically static market.

Increasingly, research shows that the consumer does not want "messy" food products, says Farmer's Table.

In descending order, the consumer wants food that is fresh, chilled, frozen, bottled, canned, dried. Hence the new campaign slogan: "If you want to buy a fresh chicken—you'll have to buy a farm."

Marketing

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## • ENERGY

## Extraction of heat from flue gases

THERE IS nothing complicated about a heat pipe. After all, it is just a sealed tube containing a wire mesh wick filled with an appropriate liquid, and the vapour from that liquid.

But its capabilities, first appreciated during the rapid development of space vehicles in the last decade, are such that designers are harnessing them to achieve spectacular energy savings.

Foremost among the characteristics of the heat pipe is its ability to transfer heat energy over at rates between 500 and 1,000 times those possible with solid metal conduction.

This stems from the fact that when one end of the tube is heated, the liquid in the mesh turns to vapour, absorbing large amounts of heat in the process. The hot vapour travels to the cold end of the pipe, yielding up its latent heat of vaporisation as it condenses, and this heat can be applied to other processes.

The condensed liquid is absorbed by the wick and travels back to the hot end of the tube by capillary action and the cycle begins afresh.

There are no moving parts and deterioration over many years is minimal.

Scurrab Hytech has been working on a number of applications of this technology to waste heat recovery for several years and has successfully set up two industrial units with heat recoveries of 1.6 and 1 thermes/hour respectively.

The first is used to take heat out of the exhaust gases of a gas-fired sugar boiler and use it to heat plant water. The gases originally were exhausted at 645 degrees C. This temperature has been reduced to 390 degrees with a consequent extension of pipe life.

Some 50 heat pipe protruding 7 ins into the flue and 5 ins into the water manifold do the

work and even though gas in this instance is the cheapest fuel, pay-back is put at 14 months.

In the second application, steam boiler exhaust in a dairy has been reduced from 250 to 170 degrees and the heat recovered fed to intake water. Some 30 pipes are required with 14 inches in the flue and 4 in the manifold and the payback is the same at 14 months though, in this instance, firing time is double at 60 hours/week.

The company has carried out a series of studies of other industries, including pottery operations where it has been shown that savings of £30,000 a year can be achieved with muffle kilns in a capital expenditure of one-third that sum.

In wire patenting furnace applications, where the operating temperature is still higher and the exhaust runs at about 1,000 degrees C, annual savings of £37,000 result from an investment of £3,000.

In general, where there is a continuous process in which flue gases are emitted at high temperatures, there is an application for heat pipe recovery systems which are comparatively simple and quick to install.

The company some time ago applied the same principle to recovering heat from open fires that otherwise would be lost to the surrounding firebrick in the fireplace and the flues. Houses and fires vary considerably, of course, but typically the simplest installation would continuously recover an extra 5kW of heat from the open fire to feed into a hot water radiator system.

Further details from Scurrab Hytech Products, 5 Market Street, Soham, Ely, Cambs CB7 5JG.

## Insulating a big ice cream plant

A major low-temperature insulation project at Walls' ice cream factory in Acton, West London, is about to be completed by DeeCee Contracts, 165a Upper Heath Lane, Dartford, Kent (Dartford 72521).

Current programme covers the total insulation of the low-temperature pipe leading to a new freezer plant, and vessels within this area are also being similarly treated under a contract which completes phase one of a major redevelopment scheme by the company.

Pipework in five diameters (from 8 inch down to 2 inch) is

being encased in 8 inch thick fire-resistant polystyrene sections applied in two layers with staggered joints set in adhesive.

These heavily insulated pipes (carrying substances from low-temperature ammonia liquids to hot gas supplies) are then vapour sealed using a bituminous based material brush applied in two coats.

All vessels, including surge drums and horizontal receivers, are being treated to the same process and finally encased in made-to-measure aluminium cladding fabricated from 22 gauge sheeting.

## • HANDLING

## Goodbye to flour sacks

DISTRIBUTING FLOUR from the miller to the baker, a problem for the industry since the days of waterwheels and windmills, has been simplified by the invention of a new containerised dispenser called Condor by the developers.

Self-contained within a standard aluminium framework and having its own diesel motor, the dispenser enables flour to be transported by ordinary commercial vehicles. It is possible to convey up to three bulk silos, each holding three tons of flour.

On arrival at the bakery the flour is removed by vacuum from the silos at a speed of nearly one ton per minute into one of two load-cell-mounted

weigh bins which form an integral part of the container unit and have a capacity of 200 kg each. As one weigh bin is filled to the required capacity the flour flowing to that bin is automatically diverted to the second weigh bin and while that is filling the contents of the first bin are blown via feed tubes to the bakery's own bulk storage facilities. The sequence is then repeated until the exact amount of electronically recorded flour needed by the bakery has been dispensed.

Condor has been under development for four years.

European Process Plant of 175, High Street, Banstead, Surrey is marketing Condor throughout the United Kingdom.

## Cuts cable laying time

DANISH ENGINEERS have incorporated a powerful Boughton Series 5H hydraulic which into a newly developed cable-laying system (worked by two men), which together with a cable drum-carrying cradle, promises to reduce cable laying time by 50 per cent, says T. T. Boughton and Sons, Bell Lane, Amersham, Bucks (0240 44111).

System is designed to function effectively in any terrain passable by a lorry, powerful enough to run ahead carrying

details of the system are available from the maker, Fritz Halvorsen AS, Bredgade 203, 9700 Bronderslev, Denmark.

## • QUALITY CONTROL

## Looks inside castings

AN X-RAY quality control unit specifically designed to look for flaws in aluminium castings has been developed by Welks Krautkramer, Blackhorse Road, Letchworth, Herts (04626 2644).

The X-ray source, inspected component and imaging screen are housed in a 1.9 metre-sided screened enclosure; the operator, seated outside at a console with television monitor on which the image appears, can also see the inspected component through a window. Since the results are immediate, a rejected casting can be returned

to the melt at once while adjustments are made to the process to correct the fault.

A Philips X-ray source is used together with an Oldelft Indecca imaging system having a 10 inch x 12 inch fluorescent screen; thus, quite large castings such as gear box casings and engine blocks can be inspected.

The fluorescent image is picked up by a military grade low light TV camera via a 45 degree mirror. A table is provided inside the X-ray enclosure that allows the component to be moved and rotated.

## • MATERIALS

## Growing use of cultured marble

USING A variety of resins and fillers to create flat slab, a Hungarian first produced "cultured marble" in California in 1958. The material was simply a substitute then for laminate-covered chipboard and for the first products, ceramic or metal bowls were placed in a hole in the middle of the slab to effect a vanity top.

Two years later, a major industry had developed with the result that over half of all new homes built in the U.S. since 1975 now contain at least one piece of cultured marble.

Technology produced intricate shapes, and makers of cultured marble could offer products which were not practical in any other material—such as working surfaces with integral bowls and backstands.

Nearly all Western countries have a cultured marble industry, with some beginning to rival the U.S. on a size for size basis. The Dutch were pioneers of the use of this material for kitchen work surfaces, and other Continental countries have specialised in window sills, fire surrounds and paneling.

Now a British company (incorporated in 1978 with the objective of making the material for the sanitaryware market) says it is one of the few manufacturers in the world that can offer a complete bathroom suite made from cultured marble. This company, Elliott-Powell, of 58 Burners Lane South, Kiln Farm, Milton Keynes, Bucks (0908 567345), says architects and specifiers can now see at its factory how modern techniques enable the moulding of units

into one-piece units of widely varying shapes and designs, incorporating moulded corners and edges.

These techniques, says the company, undoubtedly hold down the cost of installation and prove the products' benefits over grp/polyester resins' and laminated material fashioned tanks.

Elliott-Powell has just pro-

duced a marble finished material bonded on to a honeycomb aluminium backing for use as wall cladding or decorative finish in buildings.

Also under development at Milton Keynes are onyx and marble coffee table tops, wall claddings, vanity units for hospitals, schools and laboratories and industrial storage tanks.

DEBORAH PICKERING

## • TEXTILES

## Analyses fibre blends

INCREASINGLY THE world textile industry is manufacturing fabrics from blends of various fibres. Typical of such trends is the ubiquitous polyester/cotton blend shirting which, in the U.S. may be a 50/50 blend, while in Europe samples of up to 80/30 are often found.

Other, and more complex, blends are used in other sectors of the trade.

Now the manufacturer and the user can check the precise proportions of the main elements of whichever blend with the Ford fibre blend analyser.

This enables values to be obtained rapidly, semi-automatically and safely.

The accuracy of the analyser is claimed to be within  $\pm 0.5$  per cent, which compares with the standards laid down by the EEC of  $\pm 3$  per cent. Clearly a small variation of blend components can be reflected in changed cost.

ings of a particular yarn or fabric.

The Ford fibre blend analyser is built by James H. Heal and Co. (Richmond Works, Lake View, Halifax, W. Yorks. 0422 663655), and it can cope with samples of up to 8 grams.

The technique used is very simple. A series of five chambers are pre-loaded with fibre solvents and the sample is taken through these baths in sequence. At each step the solvent will remove one of the constituents of the blend. The residue from the bath is then precisely weighed to determine the percentage composition of that part of the blend.

In this way a complete analysis of the blend is made. Normally it is very unlikely that more than five fibres will be used in any single blend, so the provision of five baths of solvent should be quite sufficient for most textile manufacturers.

## • AUTOMATION

## Control from a distance

FREEMAN Enercon, Cambridge-based energy conservation specialist company, is using a new remote signalling technique called Mercury, in conjunction with more conventional controls. Transmitting/receiving equipment which uses a signal impressed on the existing house or plant wiring is used to operate remote equipment.

Intended to give control of distant plant—up to 500 metres—from a control point in an inexpensive manner, the new technique enables local zones to be controlled to a time schedule without the need either for a multiplicity of local time switches or for hard wiring.

Freeman Enercon, P18 Trafalgar Way, Ban Hill, Cambridge. Basic Mercury systems pro-

## • MACHINE TOOLS

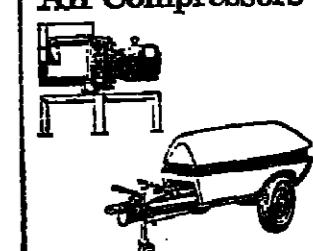
## Calibration by laser

A MOBILE machine tool calibration service based on the use of a Hewlett Packard 5525B laser system and able to monitor straightness, squareness and parallelism. For displacement measurements use of measuring site sensors to monitor air temperature, atmospheric pressure and humidity enables a resolution of 0.1 microinch to be obtained.

The technique uses a laser interferometer remote from the tool, the latter carrying a reflector. Once positioned for a particular machine tool the laser head does not need to be moved: using different combinations of cube corner reflectors and remote beam splitters it is possible to carry out a complete check of straightness, squareness and parallelism. For displacement measurements use of measuring site sensors to monitor air temperature, atmospheric pressure and humidity enables a resolution of 0.1 microinch to be obtained.

Results are processed in minutes by calculator and plotter and then become the property of the customer.

## Hydrovane Air Compressors



Telephone: Redditch 25522

## • COMPUTERS

### More power for big machine

ESPECIALLY suited for scientific and engineering applications, a new version of the big Univac 1100/80, the "S" machine, incorporates a scientific accelerator module, which is a very high speed LSI bi-polar gate array device.

Memory expansion will take the current 1m word 1100/80 systems up to a maximum of 8m words or 32m bytes, in 2m word increments.

Increased speed, storage expansion, and the recent announcement of the array processor subsystem in the U.S. is an indication to the scientific user of the importance the company places on this market.

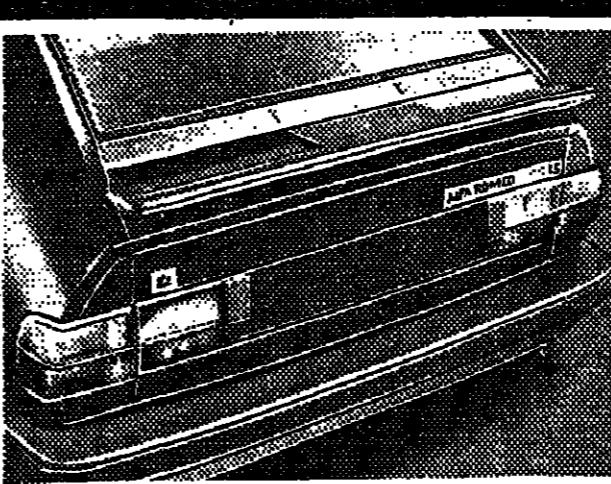
Performance of the basic 1100/80 has been increased by at least 25 per cent with the 1100/80 S.

Univac is at 65, Holborn Viaduct, London EC1 (01 21010).



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## JOBS COLUMN

## Curtain raiser · China-watcher · Stumped

BY MICHAEL DIXON

A BRITISH engineering group planning a big expansion of its business in Russia must be an extremely rare phenomenon these days. So one can understand why recruitment consultant John Briggs of David Sheppard and Partners, who has discovered one, found it an "invigorating" experience. Whether it will prove rewarding as well, however, depends largely on his also discovering a commercial manager capable of carrying the planned expansion into effect.

The Midlands-based group specialises in the provision of complete industrial plants as "package deals." The plants it supplies in this way are for a wide variety of processes and products, but all are very costly, of course, and each project takes several years to complete.

A number of contracts worth £50m or more have already been won from Soviet satellite countries in Eastern Europe, where the newcomer will be expected to promote further custom. But the main responsibility will lie to establish the company as a major supplier of industrial plants to Russia itself.

The idea is that the recruit will take the lead not only in identifying suitable opportunities and persuading appropriate Ministries and import agencies to invite the

group to tender, but also in assembling a competitive proposal and in negotiating the deal through to settlement.

This will require high-level contact with company colleagues and staff of other United Kingdom and overseas manufacturers, with financial institutions, and with officials in the customer countries. So at least four or five months each year will be spent in the Eastern Bloc.

Would it be any easier to negotiate orders out of the Russians nowadays than to negotiate their troops out of Afghanistan? Easier, yes, replied Mr. Briggs, who has done some selling in Eastern Europe, but far from a doddle nevertheless.

"Getting the entrée isn't all that difficult. The main problem is what to do when you've got in. Unless you can pretty quickly find out where to go and whom to see, you can tie yourself into a kind of web of officials who'll never give you a positive answer."

Might one call that the old boy's net? I inquired, drawing on the scattered remnants of my study of Russian during National Service.

John Briggs groaned, but smartly added that proficiency in Russian or another Slav language was considered an important qualification for the job, although not quite as essential as experience or at least a developed interest in

## Developer

I HAVE a feeling that going straight from Russia to China would be considered in poor taste at the moment by either of those countries. But that is what we are doing, because Tony

Barker of Merton Associates (Consultants) is in the hunt for a market development manager to work with a big internationally owned group based in Hong Kong.

The main task will be to keep a detailed watch on the economic affairs of the Chinese People's Republic, with a view to identifying opportunities for the employing group to take part in joint ventures, to win orders for turnkey projects, and to supply various products and services including know-how.

Salary, he continued, would depend on what sort of applicants were available. But my estimate would be about £12,500 for a youngish person without much experience to £20,000-plus for a well-matched candidate.

Inquiries to Mr. Briggs at 21 Cleveland Place, St. James's, London SW1Y 6RL; telephone 01-930 8785. Since he may not name the company, he guarantees to honour the request of any applicant not to be identified to the employer without further permission. So do the rest of today's recruiters.

## Developer

Although living in Hong Kong, the recruit will be visiting and negotiating with China. So although proficiency in one or other of the main Chinese dialects is not essential, it would help.

The job is described as "demanding," but since it is apparently seen as crucial to the group's plans for expanding in line with Red China's projected industrial develop-

ment, there would no doubt be good prospects of advancement for someone who did the work well.

Starting pay will be up to £20,000, and perks will be of the usual expatriate kind, including accommodation and various allowances.

Inquiries to Tony Barker at Merton House, 70, Grafton Way, London W1P 5LN; telephone 01-388 2051, telex 8953742.

## Treasury work

NEXT COMES a London-based job being offered through Norman Philpot of NPA Recruitment Services. But since today should see the start of the Old Trafford test match against the West Indies, it seems appropriate to refer first to Mr. Philpot's preferred vocation as a cricketer.

Having spent several hours hearing of his exploits as batsman and bowler, I mentioned him in this column last year—in, as I thought, his own words—"as the right-handed Gary Sobers." In fact, he is also left-handed and has since been nagging me to give him what he claims is his proper title.

Being a person to whom the great names of cricket are sacred, however, I felt that it would be blasphemy to connect Norman Philpot for a second time with the great West Indian all-rounder. But he has finally broken through my defence.

Clipped to the job-description which has just arrived from Mr. Philpot is a photograph of a suitably skilled person aged more than about 30. So my estimate would be £9,000 to £12,000.

Inquiries to him at 60, Cheapside, London EC2; telephone 01-248 3812.

"Equally," he adds, "I am most interested in hearing from FRN traders, bond dealers and Eurobond salespersons for a newly established department within a prime international merchant bank—salaries (heaven knows these days!) around £15,000 to £20,000."

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Box FT/629, c/o Hanway House, Clark's Place, Bishopsgate, London EC2N 4BJ.

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Citibank, one of the world's largest banks, is establishing Citicorp Development Capital in London to make development and venture capital investments in small UK companies. This expansion, for which substantial funds have been allocated, follows the bank's very successful venture capital activities in the USA since 1968.

A Senior Investment Officer is required to work with the General Manager in seeking and identifying investment opportunities, evaluating the proposals, negotiating deals and actively monitoring investments through board membership of client companies.

Candidates, ideally with high technology experience, must be graduates, qualified accountants or MBAs and be able to demonstrate excellence in their careers to date. Financial skills, a broad commercial sense, entrepreneurial zeal and the maturity to work with companies at top level are essential qualities.

Preferred age late twenties to early thirties. An attractive remuneration including excellent benefits package to be negotiated.

Please reply, quoting Ref. 1142, to Ian HD Odgers who is advising on this appointment.

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G.T. Walker, Ref. 42281/FT. Male or female candidates should telephone in confidence for a Personal History Form to:  
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The successful candidate will work very closely with the Managing Director in the development of the Group and will assume responsibility for all administrative functions.

The post offers occasional opportunities for overseas travel, and assistance will be given with any necessary relocation expenses.

Letters of application, together with c.v., salary progression and any additional relevant information, should be forwarded without delay to: Mr C.A. Cotton, Executive Recruitment Division, MH Consultants Limited, Park House, 22-26 Great Smith Street, London SW1P 3BU, quoting reference A210.

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Candidates will be qualified accountants, aged 28-40, and will have substantial experience in a large industrial group. The positions call for real expertise in a number of the following areas: consolidation of group accounts; long-range planning; budgeting and performance analysis; capital expenditure appraisal and

control; financing and taxation. Highly competitive salaries and attractive fringe benefits are related to these senior positions and there is excellent opportunity for good career progression and involvement in wide-ranging assignments.

Ref. D6026/FT.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

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A highly successful US subsidiary manufacturing and marketing in the UK, our client is a market leader in its field with a turnover of £30 million. Applicants (male or female) should be qualified accountants with planning experience in a commercial environment. Please telephone or write to Stephen Blaney B. Comm., FCA quoting reference I/2006.

EMA Management Personnel Ltd.  
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Telephone: 01-242 7773

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# Finance Director Insurance

Paris  
Substantial Remuneration

## Opportunities to work in Bermuda Management and Portfolio Accountants

The Bank of Bermuda is a major Bank on the island and is seeking a Management Accountant and a Portfolio Accountant.

The Management Accountant will be a member of the Bank's Accounting Department, participating in the preparation of financial statements, investment accounts, funds, management reports and other management information for the Bank and its subsidiaries. A working familiarisation with Electronic Data Processing is desirable.

The Portfolio Accountant will be a member of the Bank's Corporate Trust Services Department and be responsible for the accounting of a group of mutual funds, trusts and companies, including the maintenance of accounts and the preparation of Financial Statements. He or she will work closely with the Management in various International Departments of the Bank.

Preference will be given to applicants with an intermediate standing in a recognised Institute or Society of Accountants and with two to five years' experience in an accounting environment. Salaries are tax free in Bermuda and will be commensurate with experience and background. Generous staff benefits are also provided.

Interviews will be held in London during the week of July 21st.

Qualified persons interested in these opportunities should send a curriculum vitae, including personal details, current salary and telephone number, to the Bank of Bermuda's London Representative:

The Bank of Bermuda Ltd.  
Representative Office, Gruber's Hall,  
Princes Street, London EC2R 8AQ

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LIMITED**

## DIRECTOR DESIGNATE ACCOUNTING SERVICES - LONDON SALARY - NEGOTIABLE

Our client is a small progressive organisation operating internationally in the business services field. It seeks an experienced Chartered Accountant (aged 35+) to control and implement the range of accounting and secretarial services provided for its clients. The appointment will be of particular interest to applicants wishing to use their auditing experience in a commercial environment. Remuneration will take into account equity participation prospects after an initial period.

Please reply in writing to:

SPINKS, LAWSON-SMITH, BERRY AND CO.  
23, ALBEMARLE STREET, LONDON W1X 3HA  
For the attention of: A. M. Lawson-Smith

## REINSURANCE BROKER

required by

LLOYD'S NON-MARINE REINSURANCE BROKERS

Lloyd's and Company Market broking experience essential. Would be advantageous if applicant has proven production record. Interviews granted only to applicants under 35.

We are very staff orientated and offer a good salary to the right person, plus numerous fringe benefits including a non-contributory pension scheme and own company sports and social club.

Full details please to: Box A.7210, Financial Times  
10 Carlton Street, EC2P 4BY  
(All information regarding applicants will be treated in the strictest confidence)

## Management Consultancy Graduate ACA or ACMA

Citybased  
to £15,000

Highly entrepreneurial, a Middle-East based insurance group requires a financial director for its overseas activities centred in Paris.

The initial task is to set up systems for financial control and the production of management information. Beyond this the job involves day to day management of technical staff involved in reinsurance, planning the group's financial and tax strategy and overseeing the investment portfolio.

The challenge posed can be met by an ambitious and creative qualified accountant with extensive practical experience of insurance and reinsurance.

Competence in French is a must, together with knowledge of legal and banking practices in France. Neither age nor salary will be limiting factors.

Applications, which will be treated in strict confidence, should contain brief but relevant details of age, education, career and salary progression, and qualifications.

Please write to PJ Williamson quoting ref. 905/FT on both envelope and letter.

**Deloitte  
Haskins + Sells**  
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

## Financial Controller

Abingdon, Oxon

c.£10,000 + car

Microphax Limited has grown to become one of the major suppliers of micrographic equipment in the UK. They are now actively engaged in expanding their product range and developing their business overseas.

Recognising that tight financial control will be critical, they require a young, commercially aware Qualified Accountant to be responsible to the Managing Director for all accounting, management reporting and company secretarial matters. It will appeal to male or female applicants, with at least 2 years broad commercial experience, who enjoy the variety and involvement of a small company environment and are keen to go places.

Career prospects are excellent and for the right person a Board appointment could be expected within 2/3 years.

Interviews will be held in Oxford and London.

Please send concise personal, career and salary details or apply for an application form quoting Ref: AC 342 to:

W.S. Gilliland, Thornton Baker Personnel Services Limited,  
Fairfax House, Fulwood Place, London WC1V 6DW.  
Telephone: 01-405 8422.

A member of the Management Consultants Association

Personnel and Industrial Relations Consultants

## Management of North American Investment Portfolio

neg. £10,500. London

Our Overseas Investment Department is looking for a Number Two to the operating team responsible for investment in North America.

To the right person the timing of such an opportunity as this must be highly attractive. Last year's lifting of currency restrictions has meant that overseas investment is a rapidly expanding market, and the Prudential's interest is likewise increasing.

Working with your Team Leader you will have full responsibility not only for Prudential's North American holdings but also for those of other funds under management. Your team will be relatively small in number, taking into account the size of funds managed. If you are the person we are looking for however, you will welcome this, for it will enable you, as Assistant Portfolio Manager, to take on that much more responsibility and to enjoy greater opportunity to show your flair and skills.

The successful applicant will probably be aged 25-35 and is likely to have a good degree — probably in economics. Although 3 years' experience in the North American market is essential, this experience need not have been entirely in fund management; some analytical experience would be desirable. Certainly he or she will be highly self-motivated, and able to demonstrate a capacity for innovative thought.

Please send C.V. in strict confidence to Miss M. Bloomfield, Personnel Department, Prudential Assurance Company Limited, 142 Holborn Bars, London EC1N 2NH.

**Prudential**

## Accountant

Oilfield equipment manufacturing group

West of London

**VETCO**

Vetco Offshore, the UK subsidiary of an international company, manufactures and supplies subsea wellhead and associated equipment to the offshore oil industry.

We're looking for a chartered or certified accountant, to join a small team of professionals providing financial and accounting services in our operating area of Europe, Africa and the Middle East, from our Hayes Headquarters.

The oil industry is a fast moving business — you'll need to be a self-starter, ideally aged 25-35.

Salary will not be a limiting factor for the right person and benefits are those expected of a major international organisation. Some travel will be necessary.

Please write giving brief career details, to  
T.G. Pateman, Finance Manager, Vetco Offshore Limited,  
Ventura House, 72-74 Station Road,  
Hayes, Middlesex UB3 4DP.



Management consultancy offers intellectual and practical challenges through dealing with a wide range of clients and problems. Providing impartial and professional advice to management, often at board level, requires consultants whose technical skills and personal abilities are of the highest calibre.

Our need is for ambitious accountants, aged 26-32, with a good degree and examination record. Your career will demonstrate rapid progress and will include at least two years in industry or commerce. Experience of management accounts, stock control, costing and information systems will be of particular interest. Your personal qualities must include

developed commercial acumen, communication skills and an interest in problem solving.

Applications, which will be treated in strict confidence, should contain brief but relevant details of career and salary progression, age, education and qualifications.

Please write to G. W. Thiel, quoting reference 904/FT on both envelope and letter.

**Deloitte  
Haskins + Sells**  
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

## CHIEF ACCOUNTANT and COMPANY SECRETARY

This is the top accounting job.

This small but highly profitable and recently quoted company is poised for rapid expansion at home and overseas by organic growth and by acquisitions. It has an established base in advertising contracting with many established and prestigious clients.

The challenge is to provide a total and cost effective accounting service—management and financial accounting—cash management—budgeting and budgetary control, planning—investigations—systems development—and company secretarial services.

A record of sustained success in all aspects of accounting for profit and growth within the services sector of commerce is the prime requirement. A Chartered Accountant is likely to be preferred.

Age: ideally mid 30s. The salary indicator is £13,000 with profit related bonus. Car provided. Location: London, W2.

Success can lead to an early board appointment when equity participation can be negotiated.

Letters from suitable qualified men or women should include a detailed curriculum vitae including salary progression to date which will be handled in confidence by Dr. A. G. Roach.

**ROACH**

**AG ROACH & PARTNERS,  
MANAGEMENT CONSULTANTS,  
433, EDGWARE ROAD, LONDON W2 1TH**

## CHINA ECONOMIST MARKET DEVELOPMENT MANAGER MAJOR HONG KONG GROUP

Hong Kong

to £20,000 Max. Tax 16.5%

Identify the significant industrial opportunities in China for a leading Hong Kong corporation, concerned in joint ventures and two way trade.

Our Client: A respected, well connected group, engaged in substantial export/import trade with China and concerned in turn-key projects and programmes to upgrade Chinese manufacturing facilities. They intend increasing their penetration and participating in further joint ventures.

Your Opportunity: Identify emergent industrial developments in China, developing these into practical projects • Maintain close contact with sources of economic intelligence • Visit China • Build a resource library of European and American products and skills • Prepare the corporate plan.

Your Background: Knowledge and experience of Chinese economy/industrial development programme • Training as economist or market researcher • Experience of economic reviews/Market assessment/engineering/capital markets • Ability to speak Chinese ideal.

Your Rewards: Generous Salary + Bonus + Accommodation + Pension + Other Benefits. ACT NOW! Telephone or write, in confidence, to the Group's Adviser, Tony Barker (Director) on 01-388 2051 (01-388 2055 Night Service). Reference 421.

**M**

**MERTON ASSOCIATES (CONSULTANTS) LTD.**  
Merton House, 70 Grafton Way, London W1P 5LN.  
Executive Search and Management Consultants

## ABU DHABI INVESTMENT AUTHORITY FOREIGN EXCHANGE DEALER

The Abu Dhabi Investment Authority requires a Foreign Exchange Dealer to report to the Foreign Exchange Manager.

Applicants should have at least three years all round dealing experience at a senior level and must be prepared to spend two years or longer living in Abu Dhabi. Free accommodation, car or transport allowance and free medical facilities will be provided. Salary is free of tax in Abu Dhabi.

Please write or telephone for an application form, quoting ref. 1062/FT to W. L. Tait

**Touche Ross & Co. Management Consultants**  
Hill House, 1 Little New Street, London EC4A 3TR  
Tel: 01-353 8011 ext. 3185

## Jonathan Wren • Banking Appointments

The personnel consultancy dealing exclusively with the banking profession



INVESTMENT MANAGER

A leading merchant bank wishes to engage a Portfolio Manager. The ideal candidate, aged between 25/35 years, will possess a degree or professional qualification and have 2/3 years fund management experience with a merchant bank, stockbroker or insurance company.

There is an attractive remuneration package, including mortgage subsidy and an excellent non-contribution pension scheme.

Please telephone PETER LATHAM

CREDIT ANALYST

Bahrain Due to continuing expansion our client, an international Middle Eastern bank, wishes to engage an additional senior Credit Analyst at its Bahrain offices.

The ideal candidate would have several years experience in an American banking environment, including formal credit training. Those experienced in consortium banking or with an Accepting House may also possess the type of credit experience desired. Preferred age is late 20s/early 30s.

The job content will include the appraisal of new loan propositions, the review of existing commitments and also the training of more junior analysts. In the first instance the appointment is offered on a two-year contract basis.

Please telephone KEN ANDERSON

FOREIGN EXCHANGE DEALER

We should like to hear from experienced young Foreign Exchange dealers (aged 24/32) who would be interested in a responsible appointment with a new, rapidly expanding international commercial banking operation in the City. As deputy to the principal dealer, the person appointed will need all-round Foreign Exchange dealing experience including exchanges, deposits and arbitrage.

Please telephone KEN ANDERSON

First floor—entrance New Street  
170 Bishopsgate London EC2M 4LX. 01-623 1266

## COST CONTROL ACCOUNTANT OIL INDUSTRY

### ABERDEEN

Our client is a leading oil company operating in the North Sea, whose rapid and successful growth means that they now need someone to supervise a team of five others, to provide administrative and financial support to the Drilling Division.

Based in their new Aberdeen offices, you will work closely with the Drilling Manager and Senior Drilling staff. Your responsibilities will include the maintenance of the drilling cost control system, the preparation and co-ordination of capital, overhead and operating budgets, management reports and expenditure forecasting in respect of all current and proposed drilling projects.

If you have an accounting qualification with

some sound experience over several years in both drilling cost control and analysis and oil operations, the company's projected expansion combined with their management development policies provide excellent opportunities for promotion.

In addition to an attractive salary, company benefits include a non-contributing pension plan, free life assurance, free restaurant facilities and a very generous relocation package.

To apply in the first instance, please contact Mrs. S. Jagger at the company's advisors, Cripps, Sears and Associates, (Personnel Consultants) Burne House, 88-89 High Holborn, London WC1V 6UH, telephone 01-404 5701, telex 893155.

£13,000

**Cripps, Sears**

## Financial Comptroller International Insurance

for a City company belonging to a leading American brokerage-oriented insurance group with 19,000 employees world-wide and a net operating income of over \$230m.

Working closely with the Managing Director and sitting on the Board, the Comptroller's tasks will be to direct the company's financial accounting activities particularly management reporting and control, tax and legal compliance, budgeting and financial administration.

Candidates, 35 plus, must be qualified accountants, from the insurance industry, who have exercised financial control at senior level for some years involving considerable experience with computer based administrative systems.

Salary up to £20,000; car; opportunities for promotion internationally; relocation assistance. Location Greater London.

Please send full details - in confidence - to L. C. Koppen ref. B.42035.

*This appointment is open to men and women.*

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

**MSL**  
Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB

## Scott Bader Company Limited

### Financial direction in a unique environment

- Pioneering the concept of common ownership, Scott Bader has developed its special style of management for nearly 30 years. Based near Northampton, the Group has worldwide interests and is a leader in the GRP industry and in creative chemistry-related technology. Scott Bader also supplies emulsion polymers into several significant markets.
- We are seeking a Head of Finance for Scott Bader; he or she will be a leader in the creative development of a £50 million business. Reporting to the Managing Director, the job demands a high level of personal commitment and a flexible, practical management style.
- Requirements include experience at board level; ability to respond to the unique demands on managers; qualified accountant; likely age 35-45. Salary and benefits are for discussion.
- Call Michael Eggers as adviser to the Company for a confidential talk about the job, the challenge and the personal prospects in this unique and fulfilling environment.

**JSP Selection Consultants**  
10 Haymarket, London SW1Y 4BP. Telephone 01-839 4953

## Financial Director Designate

Required for an Engineering factory in the North West of England, controlling a staff approaching 70 in number. The Company is an autonomous member of a successful public group. The position is a key post in a well integrated Management team. Candidates should be professionally qualified Accountants with several years top level experience in an engineering or allied industry and a knowledge of computer systems would be an advantage. The duties, which will include a substantial general management element, are self evident, but will involve the financial control of a £30m operation and call for firm leadership and communications skills. The appointment carries a negotiable salary of up to £15,000 plus car and the benefits associated with a successful and profitable company.

Please send C.V. in strictest confidence to Dorothy Greenhalgh, Royds Personnel Services, St. Andrew's House, Portland Street, Manchester M60 7HT. Please indicate any companies to whom you do not wish to apply.

**ROYDS**

Personnel Services

Applications invited for the above post

St Thomas's Health District  
(Teaching)

### Assistant Finance Officer Endowment Funds

Scale 18 - £8170 - 9832 inclusive  
(Salary award Pending)

St. Thomas's Hospital is one of the oldest Teaching Hospitals in the British Isles and under its charter and subsequent benefactions now has substantial trust funds invested in property and stock exchange investments.

The successful man or woman can expect to gain valuable experience in this field of accounting and the appointment would be a good career step for an ambitious accountant aspiring to top financial management in the National Health Service.

You should preferably have a knowledge of Trust Fund Accounting with an emphasis on computerised management accounting and information.

Job description and application forms are obtainable from the Personnel Department, St. Thomas's Hospital, London SE1 - telephone 01-828 5292 extension 2422. Closing date for application: 25th July 1980.

## General Manager

**C.W.S. Grocery Group** £20,000-£25,000

This is one of the major General Manager posts within the C.W.S. offering the successful candidate the opportunity to revitalise, develop and expand the total operation on a profitable basis to meet the new challenges of the Eighties and beyond. It reports to the Controller of the Food Division of the Co-operative Wholesale Society Limited and is Manchester based.

The Grocery Group comprises a £120m foods business with eleven factories which market and distribute a range of packaged teas, biscuits, preserves, confectionery, canned goods and other products to Co-operative Retail Societies under the Co-op label and to other outlets at home and abroad. Over 3,000 are employed.

Candidates must demonstrate

several years' successful general management experience carrying profit accountability for the manufacture, marketing, distribution and development of a national multi-product packaged foods business. The ability to maximise resources and achieve profitable growth is vital.

He or she is unlikely to be less than 40 and should hold a relevant qualification. Strong financial acumen, a disciplined management style and a reputation for solving some of today's complex problems in the competitive food manufacturing industry will be especially looked for.

Please write in confidence to H. C. Holmes at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, who are retained to advise the Society.

**Bull  
Holmes**

PERSONNEL ADVISERS

REUTERS REUTERS

## Management Systems Manager

£13,000

and controlling their day to day business and will co-ordinate the development of various expanding functions to achieve cost effective operations. Duties will include organisation, methods, equipment and staffing.

Candidates should have a degree or similar professional qualification with a minimum of 5 years in a senior management services role and at least 3 years experience in a senior management post.

Salary will be negotiable according to qualifications and experience, and benefits will include a company car. Please send your curriculum vitae or telephone for an application form to:

Recruitment Manager  
REUTERS  
85 Fleet Street, London EC4P 4AF  
Telephone 01-531 7329  
(This is a 24 hour answering service)

REUTERS

REUTERS

## Financial Analyst

Wilts/Berks Border

£89,500

A fast expanding, US owned Company, our client is at the centre of the Group's European Operations, manufacturing and marketing high technology industrial products.

Accurate financial planning and analysis is both the key to the group's vitality and a primary element of its marketing strategy.

The emphasis of your role will be in the formulation and analysis (using sophisticated computer facilities), of financial plans, cash management strategies and the impact of tax planning and transfer pricing on the profitability of the business.

Ideally you will be a qualified accountant aged 24/30, with 2-4 years related experience in an international environment.

You should be ambitious, and a creative thinker, keen to gain excellent experience and total involvement in a high technology environment.

Superb fringe benefits include a full relocation package and non-contributory pension scheme.

Please telephone or write quoting reference RG 3875.

**Lloyd Chapman  
Associates**

123 New Bond Street, London W1Y 0HR 01-499 7761

## Major Gulf Bank seeks a General Manager

Applications for this challenging post are invited from candidates with a minimum of 15-20 years of diversified commercial banking experience with a major international bank. This experience should include a significant general management position in the Middle East/Africa or similar banking environment.

The successful candidate must be available to take up this appointment by September/October 1980 and be fully prepared to accept a three year contractual assignment in the Gulf area.

A liberal compensation package will be offered, commensurate with both the successful candidate's experience and qualifications, and accepted employment practice in this area.

Initial interviews will be conducted in Athens or London as appropriate with subsequent final interview conducted on site.

Please send curriculum vitae including salary history in strictest confidence to: Vincent Depaul Labbati, P.O. Box 2593, 97 Syrigou Avenue, Athens, Greece.

## EXECUTIVE DIRECTOR

for  
Financial Services Company

Small Midlands-based financial services company, part of a listed commercial group, requires an Executive Director to be responsible for the merger/banking, company appraisal and investment advisory services. He/She will also be responsible for initiating any new areas of activity as required by the Board and will be expected to introduce work to the company's Corporate Advisory Department. Candidates will probably have an accountancy/merchant banking background and be aged between 30 and 45. Please write in confidence stating age, experience and current salary to:-

Ref. PG, Centreway Trust Limited, 1 Waterloo Street, Birmingham B2 5PG.

## TAUNTON SCHOOL

REQUIRED FOR JANUARY 1981

### SENIOR ECONOMIST

Graduates with experience of Banking, Commerce and Industry, particularly welcome and would be required for Tennis players.

Applications invited from suitably qualified persons.

Resident post available for single person.

For further details, apply to:

The Headmaster, Taunton School, Somerset, TA2 6AD

# Marketing Director

c. £25,000

This division of a major group has sales well into nine figures in the chemical field.

The Marketing Director, responsible to the Managing Director, will be someone who can look at the business as a whole and whose training has probably been in classical marketing techniques via the brand management route. Additionally, candidates should ideally have had experience of sales management on a significant scale. The need is for someone who can demonstrate both management skills and a creative record in the development of strategies for profit improvement and who can quickly establish a position as primus inter pares with the other functional directors. Consequently only those people with genuine general management abilities and aspirations will be considered.

The location is an extremely pleasant one in the Home Counties and prospects of further development are considerable.

Please write, in complete confidence, quoting ref. 692/FT and giving brief details of experience, age, qualifications and current earnings to:-

**CB-Linnell Limited**

8 Oxford Street, Nottingham  
MANAGEMENT SELECTION CONSULTANTS  
NOTTINGHAM - LONDON

# SENIOR INTERNATIONAL AUDITOR

London based

c. £15,000

A leading healthcare products company with international operations is strengthening its audit team. The senior auditor now being sought will cover Europe and will report to the director, international audit, in the USA.

Primary responsibilities will be to assist in planning and executing financial and operational audits, with emphasis on manufacturing, and to conduct special studies and investigations for regional and corporate management.

Applicants should be qualified accountants aged over 30, preferably single, with initiative, excellent inter-personnel skills, ability to communicate with all levels of management, thorough knowledge of modern auditing techniques and sound professional and, ideally, industrial experience. Promotion prospects within the group are good and fringe benefits are commensurate with the nature and importance of the position.

Please send brief personal and career details, in confidence, and quoting reference FT/111/M to Douglas G. Mizon at the address below.



Ernst & Whinney Management Consultants  
57 Chiswell Street, London EC1Y 4SY

# YOUNG ACCOUNTANT WITH COMMERCIAL FLAIR

London

To £12,000 plus car

Our client is the UK holding company of an expanding private Group whose varied industrial and commercial interests include engineering, ship management, property and plant interests.

In view of anticipated further expansion of the Group, including assuming a controlling interest in a quoted company, the Finance Director is seeking a Group Accountant who, in addition to developing and controlling the preparation of financial and management information, will play an important role in the company's overall commercial development.

Applicants, qualified accountants in their mid to late twenties, should possess at least one year's post qualifying experience. It is essential that they be highly motivated and possess the flair and ability to operate within and contribute to, a demanding and developing small company environment.

Prospects for progression within the Group are excellent.  
For further information and an application form, please contact:

Liam Fitzpatrick, A.C.M.A., 410 Strand, London WC2R 0NS. Tel: 01-838 9501, quoting ref. 2334.

# DOUGLAS LLAMBIA'S

Douglas Llambias Associates Ltd.  
Accountancy and Management Recruitment Consultants  
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)  
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)



# Finance Director

£18,000-£20,000 + Car

A major British industrial group wishes to appoint a Finance Director for a division engaged internationally in the production and distribution of components. The main elements of the task will be the financial control of the operating companies and forward planning of the division's activities, which have a total turnover of some £40 million.

The successful candidate, preferably aged 35-40, must be a qualified accountant with extensive industrial experience in manufacturing and/or distribution companies.

**PA Advertising**

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874.



A member of PA International

MAJOR FIRM OF LONDON STOCKBROKERS WITH LARGE INTERNATIONAL BUSINESS HAS A VACANCY FOR AN

# ASSISTANT INVESTMENT ACCOUNT EXECUTIVE

Competent to handle home and overseas bank and trustee investment enquiries with the minimum of supervision. Good knowledge of investment statistics essential. Remuneration according to experience and there is a non-contributory pension scheme.

Please write in first instance with details of experience to: Box A.7324, Financial Times, 10 Cannon Street, EC4P 4BV

# Q S BANKING RECRUITMENT CONSULTANTS

Money Market/FX Dealer to £15,000  
Credit Officer to £13,000  
Credit Analyst to £10,000  
Assistant Accountant to £8,000  
Eurobond Settlements to £6,500  
Please ring  
Mike Pope or  
Sheila Anketell-Jones  
01-236 0731

30, QUEEN STREET, EC4

# Management Accounting & Business Systems to £15,000+car

Our Client is a British Service Sector Group with a high reputation in its particular fields of operation which reflects in a very strong International business position.

In order to support and direct the continued growth of the business the Group wishes to recruit a Chartered Accountant who will participate in the conception and installation of computerised business and accounting systems and will be responsible for the development of the management accounting and financial review functions.

Applicants should be aged 30 or over with a knowledge of computerised business and management accounting systems and the ability to work with and respond to the needs of operating management. Early professional experience should include a period with a large firm supplemented by a further four to five years in commerce or industry.

The position is based at the London West End HQ.

Please write in confidence to B. H. Mason at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our clients' requirements, quoting 6188/FT. Both men and women may apply.

# John Courtis and Partners...

# ASSISTANT FINANCIAL CONTROLLER c. £11,000

Dixons and Growth go together. We are an expanding public Group engaged in retail and distribution with sales over £100 million p.a.

The Holding Company wish to make a new appointment of an Assistant Controller to analyse financial performance, develop and control Group reporting systems for existing and new businesses.

The person appointed will be an energetic qualified accountant with sound experience in industry or retailing and a thorough understanding of financial controls and analysis. He or she will be in the age range 25-33.

Our success was built on ambition and taking opportunities, so we expect you to be promoted into a line job. Other immediate rewards include an executive car and similar benefits.

Please write in the first instance to:

Dick Andrews, Director of Personnel,  
Dixons Photographic Limited,  
54/58 High Street, Edgware, Middlesex.

**Dixons**

A GREAT COMPANY TO BE WITH

# Venture Capitalist

£15,000 to £18,000

Venture Founders Limited is the new British arm of an established American venture capital firm. We are advisors to two new funds, Rainford Venture Capital and Venture Founders Capital, that provide equity capital to new businesses with high-growth potential.

For our small management team, we need another member with British experience. If you have founded, managed or backed a new venture that achieved a profitable turnover of over £1 million, write to:

Brian Haslett, Managing Director,  
Venture Founders Limited,  
4-6 Cophall Avenue,  
LONDON EC2R 7DA

This position is open to male and female applicants.

# INTERNATIONAL BANKING

## A leading Swiss Bank City EC2 seeks Credit Analyst

To assist Senior Analyst in providing appraisals of bank and corporate balance sheets.

Position demands a good educational background and previous banking experience, of which 2 to 3 years should have been in the analysis function.

Attractive remuneration commensurate with qualifications and experience and above average fringe benefits.

Reply in confidence with C.V. to Box No. 342, Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT.

# Group Financial Controller (Finance Director Designate) Up to £20,000 for a medium sized public company

Muirhead Limited is seeking to appoint a Group Financial Controller with a view to early promotion to Finance Director. The Company is a listed company with headquarters at Beckenham, Kent. It is the holding company for a medium sized group of operating subsidiaries in the UK and overseas with a turnover of some £30m, employing about 1600 people.

The Group is engaged in the design, manufacture and sale of communications equipment, precision components and industrial control equipment marketed to public authorities and private industry, a substantial proportion of its output being exported.

The Group Financial Controller will be responsible for all the financial and accounting requirements of the

Group and for the direction and co-ordination of subsidiary company accounting functions.

The requirement is for a chartered Accountant with extensive senior experience in a listed company, preferably in the electrical/electronic or engineering industries. Candidates must be completely familiar with the financial management of an organisation needing detailed prime cost analysis.

Remuneration and benefits are negotiable but could reach £20,000 p.a. for an outstanding applicant.

Applications should be made in writing, marked "personal," include a detailed curriculum vitae and be addressed to: The Secretary, Muirhead Limited, 34 Croydon Road, Beckenham, Kent BR3 4BE.



# INTERNAL AUDITOR

c. £10,000 + CAR

THE COMPANY—Private Patients Plan is an insurance company providing private medical insurance for over half a million people. The company is expanding rapidly and turnover is now approaching £40m. This growth requires the creation of a senior internal audit function.

THE JOB—Reporting to the Financial Director this is a new position which is responsible for establishing policies for the auditing activity and directing its technical and administrative functions and also for developing and executing a comprehensive audit programme for the evaluation of management controls. The job is based in Tunbridge Wells with occasional travel.

THE PERSON—Applicants should be qualified accountants with experience of auditing in commerce or the profession at management level. Experience of auditing computer systems is essential.

THE REWARDS—A salary is negotiable around £10,000 per annum, together with use of a company car. Other benefits include free PPP, low-cost mortgage, contributory pension and disability schemes and subsidised catering.

If you wish to apply please write or telephone for an application form to: IRIS LEACH, PERSONNEL MANAGER.

# Private Patients Plan

Eynsham House, Crescent Road, Tunbridge Wells, Kent TN1 2PL

Telephone: Tunbridge Wells 26255

# ASSISTANT CHIEF ACCOUNTANT

£13,000 + car South London

A leading mail order company has created this new post with the emphasis on a broad development role, which will include financial studies and project evaluations as well as computerised and manual systems. It carries with it responsibility for several sections of the finance and accounting division of this major organisation.

Applications are invited from qualified accountants with management experience and the vigour and ability to initiate changes and ideas. These qualities will have been demonstrated by a proven record in industry or commerce.

This post provides an excellent opportunity to play a leading role in the development of a progressive company.

Please send a comprehensive career résumé, including salary history, quoting ref. 1061, to M. D. C. Campbell

# Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR

Tel: 01-353 8011



# Financial Manager

Brussels

The regional headquarters of a major U.S. multinational company seeks a qualified accountant to join a small team to appraise and monitor large telecommunication projects in Africa and the Middle East.

The prime responsibilities of the team are to analyse new project proposals to ensure that the financial projections, risks and opportunities are properly evaluated, and to monitor the financial and operating performance of existing projects.

Several years of experience with a medium to large international organisation are required, coupled with an imaginative,

mature and enthusiastic approach. The preferred age is 28 to 35. The position is Brussels based but will involve extensive travel, mainly in Africa and the Middle East.

Ref. K7002/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they should not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

# PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



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# Reed Executive

The Country's most successful Recruitment Service

## Chief Accountant

West Midlands

Following promotion of its Chief Accountant the principal engineering division of an American group seeks a highly skilled Chartered Accountant. The company applies strong marketing techniques to promote its range of capital equipment, current turnover £60m. Since qualifying with a major firm the successful candidate will have gained strong management experience in industry, preferably with an American-owned company and will be aware of changes in legislation affecting reporting requirements, both UK and US. Responsibilities include accurate and timely reporting to tight deadlines together with the control and development of a staff of 30+.

Telephone: 021-643 7226 (24 hr. service) quoting Ref: 1424/FT. Reed Executive Selection Limited, 6th Floor, The Rotunda, Birmingham B24 2PB.

The above vacancy is open to both male and female candidates  
London Birmingham Manchester Leeds

## 3 Young Accountants Move into Management!

Essex : S. London : N. London

Recent promotions have created the need for our client, a well known, highly respected, manufacturing group to make these 3 key appointments.

As part of a team of specialists, you will review and report on all facets of the company's varied and diverse activities.

Probably in your mid to late 20's you will be ambitious, self motivated and fluent communicators with an analytical approach towards problem solving.

Starting salary will be negotiable around £9,000 plus usual large company benefits include generous relocation package where appropriate.

To apply please telephone M. J. R. Chapman or write to him quoting reference: 3895.

**Lloyd Chapman Associates**

123 New Bond Street, London W1Y 0HR 01-499 7761

## FOREIGN EXCHANGE

We are currently retained by four well-known Banks to recruit the following:

**CHIEF DEALER AGE. 28+ £ NEGOTIABLE.**

To establish Dealing department, In Singapore

**CHIEF DEALER AGE. 25+ c £15,000**

To set up Dealing room in new branch

**SENIOR DEALER AGE. 25-30 c £15,000**

Minimum 3 years' experience of f/x and Depos

**SENIOR DEALER AGE. 24-29 c £12,500**

Very active Bank — excellent prospects

Please telephone, in confidence, Mark Stevens

**CO BANKING PERSONNEL**  
41/42 London Wall, London EC2C Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)



## Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

### Lawyer for International Bank

A leading International Bank seeks a Manager to head its small but active Legal Department in London.

Applicants should be around 35 years of age, and have approximately 10 years of experience in banking and allied law. Responsibilities will include provision of sound legal advice to senior management on all aspects of the bank's activities, preparation of legal documentation (including loan agreements) and the monitoring of changes in legislation and legal practice.

A generous salary will be offered together with usual fringe benefits.

Please telephone in confidence, or write enclosing a Curriculum Vitae to: PETERS, LATHAM.

First floor, entrance New Street  
170 Bishopsgate London EC2M 4LX 01-623 1266

## FINANCIAL ACCOUNTANT

c. £8,000

Southampton

The Company, part of the International Pirelli Organisation, is one of the country's leading manufacturers of electrical cables with a turnover in excess of £108m.

The successful candidate, male or female, will be responsible to the Chief Accountant for the operation of the corporate financial accounts function and in addition will be required to make a positive contribution in the area of accounting systems development. You should be a qualified Accountant with a minimum of two years' relevant post-qualification experience in Financial Accounting, preferably in a manufacturing industry but relevant experience in the profession may be acceptable in a well-qualified candidate.

The position is based at the Company's headquarters in Southampton, close to the New Forest and Solent and with easy access to several attractive residential areas.

The position attracts the usual large company benefits, including assistance with relocation expenses where appropriate.

Please apply giving brief details of qualifications and experience to:

C. L. Baldam  
Staff Officer  
PIRELLI GENERAL  
CABLE WORKS LTD.  
P.O. Box 4  
Western Esplanade  
Southampton  
Tel: Southampton 20381  
Ext. 150

**PIRELLI  
GENERAL**

## GULF INTERNATIONAL BANK B.S.C.

### EXPERIENCED CREDIT ANALYSTS

£15,000 + TAX FREE

Due to continuing business expansion, we wish to recruit a number of experienced Credit Analysts to be based in the Bank's Head Office in Bahrain.

Candidates, aged 26-35, will ideally have had formal credit training possibly with an American Bank. The willingness and ability to train others is considered very important.

These positions are initially on a two-year contract basis but may be renewed by mutual agreement.

Rewards and other benefits offered are extremely competitive and designed to attract candidates of outstanding quality.

Interested candidates should write enclosing c.v. in the first instance to:

Mr. P. A. Parrott  
GULF INTERNATIONAL BANK BSC  
8-13 King William Street, London EC4P 4LD

All applications will be treated in the strictest confidence.

## MANAGEMENT ACCOUNTANT

required by medium sized Building Contracting Company based in Dulwich Village, London. Responsibilities will include the provision of management and financial accounts, supervision of staff dealing with wages, cost control, credit control and secretarial duties, together with insurance and legal aspects and pension fund administration.

Knowledge of computerised systems related to recently installed Burroughs 880 system essential.

The candidate must be qualified and preferably experienced in similar business.

Excellent salary plus car. Please write giving full details of career to:

T. H. Hollings  
W. J. MITCHELL & SON LTD.  
88 Dulwich Village  
London SE21 7AH

## Challenging Opportunities for Actuarial Students

ABBEY LIFE is on the threshold of considerable expansion. We are seeking Actuarial Students to join an existing successful team at our Head Office in Bournemouth. To make an important contribution to our expansion plans, we need high calibre men and women in the following areas who can readily accept the challenge of responsibility whilst maintaining a successful examination record.

Technical design of new products for our innovative range, including analysis of market needs and competitor development.

Development and use of sophisticated modelling processes in order to advise corporate management on short and medium-term planning.

Research into new fields of business activity within the life assurance sector and outside, including development of recommendations for medium and long-term changes in corporate direction.

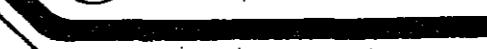
These opportunities will be suitable for students who have recently completed the Group A examinations, or expect to do so this year.

Salaries will be in the range of £7,000 to £9,500, depending on ability and experience.

An excellent benefits package includes, a subsidised mortgage scheme, flexible working hours and full relocation allowances.

Please write with career details or telephone for an application form to:

J. A. Gough, Recruitment Manager,  
Abbey Life Assurance Co. Ltd.,  
Abbey Life House,  
80 Holdenhurst Road,  
Bournemouth BH8 5AL.  
Tel: Bournemouth (0202) 22273.



## Divisional Finance Director

c. £12,500 + Company Car + Bonus

Our Client can show a profit record which is highly creditable and gained with the assistance of effective and enlightened senior management. To ensure that this pattern is continued, a position is being created which would be challenging for a qualified accountant aged 30-40, commercially orientated, practical and with a high degree of business acumen, who wants to become more involved in general management. Working closely with the Divisional Managing Director, there should be significant future prospects for the right candidate, male/female, to develop a successful and varied career with this progressive engineering group. In addition to certain routine matters, the person by implication will cover a wide variety of interesting tasks, especially the continuing development of the Division by expansion and acquisition.

Telephone Walsall 614455 (24 hr. answering service) for an application form quoting ref. 574, Phipps Management Selection, Oriel Chambers, Bridge Street, Walsall, West Midlands, WS1 1DP.

**Phipps**  
Management Selection

## 20 Senior Appointments

### FINANCIAL CONTROLLER

£10,000 neg. + Car

Heathrow

Our client, a freight forwarding subsidiary of a rapidly expanding UK group, offers an outstanding career opportunity for a young qualified accountant looking for early responsibility. Reporting to the M.D., duties will include capital expenditure control, forecasting, budgeting, forward planning and ad hoc projects. The successful applicant will almost certainly have had experience of a computerised accounting system. Salary is negotiable and benefits will include a car.

Apply in confidence quoting reference B1303 to Mark Lockett.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS  
41 London Wall, London EC2M 5TB 01-588 5105

### PROMOTION EXECUTIVE

We are seeking a highly motivated individual with sales experience and/or marketing background to assist in developing public relations and other related professional activity. Emphasis will be on the promotion of the company's products and services. The successful candidate must have a positive attitude, a good sense of humour and a will to succeed. Age 30-35. Good remuneration and fringe benefits are offered for the right person who is looking for an opportunity to develop his/her career in a dynamic international company based in London.

W. Box A-7235, Financial Times,  
10 Cannon Street, EC4P 4BY.



**R. P. MARTIN & CO.  
LIMITED**

International Money Brokers  
are looking for experienced dealers to work in our expanding Local Authority Department.

Ideally, we are looking for brokers with at least three years' experience of this market. Under exceptional circumstances we would consider someone with less experience.

Please telephone G. Wetton or, M. Church  
01-600 8691

or write to  
36/40 Coleman Street, London EC2

### FINANCE DEPARTMENT

#### SENIOR FINANCE OFFICER

£7,677-£8,487 per annum inclusive  
(Pay Award Pending)

We are seeking an experienced dealer to be responsible for servicing the Authority's £250 million loan debt. The duties involve negotiating daily in the money market, advising on borrowing policy, maintaining records of loans transactions and generally ensuring compliance with the Voluntary Code of Practice.

A professional qualification would be of assistance, although the lack of one should not deter experienced applicants. Benefits include generous leave entitlement, flexible working hours and interest-free season ticket loans. General relocation expenses and housing may also be available in approved cases.

Application forms quoting reference F.235 from the Director of Finance, 91 The Grove, Stratford E15 1EW, or telephone 01-534 4545 Ext. 364.

Closing date: 28th July 1980.

### CONFIRMING HOUSE

Rapidly expanding UK business house seeking to start confirming activity. Applications are invited from candidates having good knowledge of and personal contacts with Africa, South America and Mid-East countries. The person selected would be required to travel frequently. Salary negotiable.

Please write giving full career details to date to:  
Box A7238, Financial Times, 10 Cannon Street, EC4P 4BY.

FRANKLIN MINT LIMITED, the UK subsidiary of one of the world's largest leading consumer direct marketing organisations, is currently seeking to recruit a progressive young.

**FINANCIAL ACCOUNTANT**  
who will report to the Financial Controller for the operation of the day-to-day finance function. You will also, with the assistance of nine accounts staff, provide a financial reporting service in line with both group and local requirements.

This post would ideally suit a qualified accountant in their mid to late 20's, who is looking for a responsible and challenging position where effort will be rewarded both financially and in further advancement within the Franklin Mint organisation.

A salary in the region of £9,000 is offered, together with the additional benefits normally afforded by successful progressive companies. In the first instance either write with full details or telephone for an application form, to Mary Gifford at:

Franklin Mint Ltd.,  
138 Bromley Road,  
London SE6  
Tel: 01-697 8224



# TODAY'S CHALLENGE

**WORKING-STORAGE SECTION.**

```

01 DATA-1.
03 DATA-2 PIC X(75) VALUE
  ***THE KEYWORD THAT YOU ATTACHED
  FROM THE STATEMENTS COULD
  OPEN UP YOUR CAREER PROSPECTS
03 F-REDEFINES DATA-2.
05 DT PIC X OCCURS 75.
01 KEYWORD.
03 K1      PIC X OCCURS 6.
01 S1      PIC 999 VALUE 86.
01 S2      PIC 9.

```

**PROCEDURE DIVISION.**

```

A-1.
  PERFORM B-1 VARYING S2
    FROM 1 BY 1
    UNTIL S2 > 6.
  STOP RUN.
B-1.
  COMPUTE S1 = S1 * S2.
  SUBTRACT 50 FROM S1.
  MOVE D1 (S1) TO K1 (S2).

```

If you have discovered the Keyword from the above coding congratulations!

Obviously you have skill, but are you making the most of it? To compare where you are today with where you could be tomorrow, ring us and mention the KEYWORD. To all successful people we will mail a special pack of information describing the business activities of one of the world's major computing companies. Together with details of their training and development policies, it includes the job specification and salary package of a current vacancy where your particular talents can be fully appreciated.

To check whether your future is as promising as it could be, just pick up the phone.

We will provide the information—we leave the decision up to you.

**hutchinson-scoggins**

47-48 New Bond St, London W1Y 9HA Telephone 01 499 4501

## GROUP TAX ACCOUNTANT

Westminster

£12,500

John Brown and Company Limited, a public quoted Company with four major divisions and about 50 operating subsidiaries, is seeking a Chartered Accountant, aged 30-45, with considerable taxation experience, including a knowledge of U.S.A. taxation.

The job is located at 8 The Sanctuary, Westminster, and whilst the major part is involved with Group taxation matters, responsible to the Group Financial Controller, there would also be involvement with consolidating Group accounts and Group cash investment.

A salary of around £12,500 and Company car is envisaged, with all the usual major Company benefits.

Please reply, in confidence, with full details of experience, qualifications and present salary, to C. G. Roper, Company Secretary, John Brown and Company, Limited, 8 The Sanctuary, London, SW1P 3JU.

## FOREIGN EXCHANGE MANAGER

London Subsidiary of major European Bank is seeking an experienced and highly motivated foreign exchange manager or senior dealer ready to take on the day to day management of a new money desk and participate in the bank's treasury management.

We are especially interested in developing expertise and market making capability in the Scandinavian currencies.

The job offers an attractive salary in the £15,000 to £20,000 range, depending upon experience with a generous package of fringe benefits.

Send curriculum vitae or personal details to Box A.7236, Financial Times, 10, Cannon Street, EC4P 4BY.

## FINANCIAL JOURNALISTS

### GO TO WHERE THE BUSINESS ACTION IS

Among nations in these troubled economic times, the South African economy is expected to grow by at least 5 per cent this year. And with the boom comes exciting new opportunities in the field.

The South African newspaper group which leads in this field needs writers with experience in industry, investment, banking and finance, and mining.

Specialists interested in living in the sun and earning top rates in a thoroughly professional environment should telephone the editor's secretary at 01-353 4473 or write to South African Morning Newsprint Group, 135 Fleet Street, London, EC4P 4BL.

American Community Schools

## Chief Accountant £10,000-£12,000

Against the stimulating background of the American education system, provided through our five co-educational schools in London, Middlesex and Surrey, there now exists an interesting opportunity for a professionally qualified Accountant, who'd enjoy the challenge of heading up our Accounts function based at our offices adjacent to South Kensington tube station.

As Chief Accountant you will be responsible to the Directors for a turnover of approx. £31m and staff of eight. This will not only require you to be capable of motivating and guiding staff to achieve maximum performance, but also to have the ability to anticipate requirements with flair, imagination and attention to detail.

Your first job will be to carry out an immediate assessment of the Department and rationalise the work in hand—which includes computerisation—and then implement comprehensive accounting and management information systems.

We are looking for a man or woman who, in addition to having good all round experience, combines the qualities of leadership and enthusiasm with efficiency and compatibility and has a genuine interest in creative problem solving. Starting salary will be dependent upon previous experience. We offer B.U.P.A., an interesting benefits package and excellent prospects in a growing concern.

If you'd like to find out more, please send a full curriculum vitae, to Mrs. D. Reed, Personnel Manager, American Community Schools Ltd, 5 Cromwell Place, London SW7.

## LEADING ARAB CONSORTIUM BANK

requires:

## Senior Executive aged 37/45 preferred

Experienced in loan syndication, bonds and securities Treasury and foreign exchange together with all associated accounting procedures

Normal expatriate benefits provided—Salary negotiable tax free, paid in U.S. Dollars

Please apply with full c.v. to Box A.7229, Financial Times, 10 Cannon Street, EC4P 4BY

## Account Executive

The London Fixed Income Unit of a major international investment group requires an experienced Account Executive able to act as adviser to major accounts, represent the Firm's financial products and services, and develop new business. Excellent knowledge of the market for U.S. Government and U.S. Federal Agency securities is essential, as is equal knowledge of domestic, Eurodollar and Asiadollar money markets, including certificates of deposit, banker's acceptances and commercial paper. Good knowledge of economics (particularly of USA), ability to rapidly analyse fiscal, monetary and political news and relate it to financial markets and clients' portfolios is vital. Salary package circa £15,000 per annum.

Please write, in strictest confidence, enclosing curriculum vitae, to:

Box A7239, Financial Times, 10 Cannon Street, EC4P 4BY

## COMPANY NOTICES

**HOPPE STREET FUND S.A.**  
Société Anonyme  
Registered Office:  
LUXEMBOURG, 14, rue Aldringen  
Rue de Commerce  
Section B, No. 8.621

### NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

An extraordinary meeting of shareholders of HOPPE STREET FUND S.A. will be held at its registered office, the above address, on July 18th, 1980, at 15.30 hrs. for the purpose of electing auditors and voting upon the following matters:

1. To amend paragraph 2 of Article 21 of the Articles of Association by deleting the words "or that no more than 15% of the part of the capital and profits may be retained."

2. To renew the authorisation to issue additional shares in the authorized capital for a further five years.

This extraordinary meeting will be followed by the Annual General Meeting of Shareholders of the company which will be held at the same address at 19.45 hrs. for the purpose of electing auditors and voting upon the following matters:

1. To hear and accept the report of the auditors.

2. To approve the balance sheet and the profit and loss account for the year ended March 31st, 1980 and the dividend.

3. To discharge the directors and the auditor with respect of their performance of their duties during the year ended March 31st, 1980.

4. To elect the directors to serve until the next annual general meeting of shareholders.

5. To elect an auditor to serve until the next annual general meeting of shareholders.

6. To transact other business.

The shareholders are advised that except for resolutions taken on the proposal of the Board of Directors, no ordinary shareholders may vote at the extraordinary meeting.

Any shareholder either by himself or by proxy can cast votes in respect of up to one-fifth of the shares present or represented at the meeting.

Resolutions on the agenda of the extraordinary meeting require the presence of persons in or proxy of at least 50% of the issued and outstanding shares of the company.

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# Mixing business with government

BY ANATOLE KALETSKY

"ANY ATTEMPT by Britain to return to the true faith of market economics is the nearest thing to industrial suicide that one can envisage." "We cannot hope to come to terms with the desperate economic plight of our society until everyone accepts that the only alternative to the workings of the market place is tyranny and incompetence on a grand scale."

These two statements crystalise in the sharpest possible way the longest-running, and the most important, struggle in the political and economic life of post-war Britain. Their authors—the former Planning Director of the National Enterprise Board and the managing director of Granada Group Services—epitomise, in their jobs, the polarisation between the bureaucratic and the entrepreneurial approach in the economy which is growing sharper in every industrial country.

## Self-destructive

Or do they? The two seemingly implacable opponents in this debate are, in fact, one and the same person—Mr. Maurice Marks, who, like several NEB and nationalised industry executives, has moved between the private and public sectors with a natural ease which belies the doctrinaire assumptions on which both parties based much of their industrial policy. The two seemingly contradictory statements I have quoted are actually perfectly consistent elements of a most persuasive discussion, published in the latest issue of *The Business Economist*, of the sort of self-destructive forces which have hurled Britain from the top to the bottom of the world industrial order in a single generation.

Mr. Marks argues that government involvement in long-range industrial planning is entirely compatible with the operation of market forces, provided that government policy is "guided by price and long-term profit considerations." But market forces alone may not work as well in creating the next generation of industries as in organising production efficiently over a shorter period. This is largely because of uncertainty, which government

co-ordination and planning can do a great deal to reduce (a point which is readily conceded by market economists when it comes to the publication of medium-term monetary plans).

But Mr. Marks's message is that there should be closer co-operation between industry and government—does not budge on theory, which is in any case never conclusive in such matters. A look at the superior economic performance of other countries which are less purist than Britain in their regard for market forces provides far more striking evidence for his position.

Contrary to the widely held view among British politicians of both parties, this country is less of a "mixed economy" than many others when it comes to the Government's influence over the whole industrial structure.

Most businessmen with personal experience of foreign markets are, of course, well aware of the interventionist attitudes of the French Government in public purchasing and export promotion, or the American Government in funding private research (to the tune of \$28bn last year) through defence and other public agencies.

This makes it all the more surprising that, as soon as they return to Britain, these same businessmen take for granted, and even whip up through their public statements, the animosity and suspicion that has poisoned every attempt to bring government and industry closer together in this country. Indeed, even an innocent concept like "bringing government closer to industry" is seen as a product of creasing socialism.

## Genuine perils

No doubt Britain's long and enviable tradition of economic and political liberalism has something to do with this determination to segregate the private domain from the public. But it is also, perhaps, that the British business establishment has never been contracted with real tyranny and has never dealt with authentic communism, that it can confuse these genuine perils with the helpful attempts to make capitalism work better that are taken for granted in other, less sheltered, societies.

## 5.55 Nationwide (London and South East only).

6.20 Nationwide.

6.45 The Wonderful World of Disney.

7.35 Are You Being Served?

8.05 Taxi.

8.30 Last of the Summer Wine.

9.00 News.

9.25 Square Mile of Murder.

10.15 Uncle Sam's Backyard.

11.20 The Sky at Night.

11.40 Weather/Regional News.

11.45 All About Books with Russell Hart.

11.50 Cricket: Third Test.

11.55 The Wonderful World of Disney.

12.00 News and weather for Scotland.

12.15 The Sky at Night.

12.30 News and weather for Northern Ireland.

12.45 The Sky at Night.

12.55 The Sky at Night.

1.00 News.

1.15 The Wonderful World of Disney.

1.30 Uncle Sam's Backyard.

1.45 All About Books with Russell Hart.

1.50 Cricket: Third Test.

1.55 The Wonderful World of Disney.

2.00 News and weather for Scotland.

2.15 The Sky at Night.

2.30 News and weather for Northern Ireland.

2.45 The Sky at Night.

2.55 The Sky at Night.

3.00 News.

3.15 Uncle Sam's Backyard.

3.30 All About Books with Russell Hart.

3.45 Uncle Sam's Backyard.

3.55 The Wonderful World of Disney.

4.00 News and weather for Scotland.

4.15 The Wonderful World of Disney.

4.30 Uncle Sam's Backyard.

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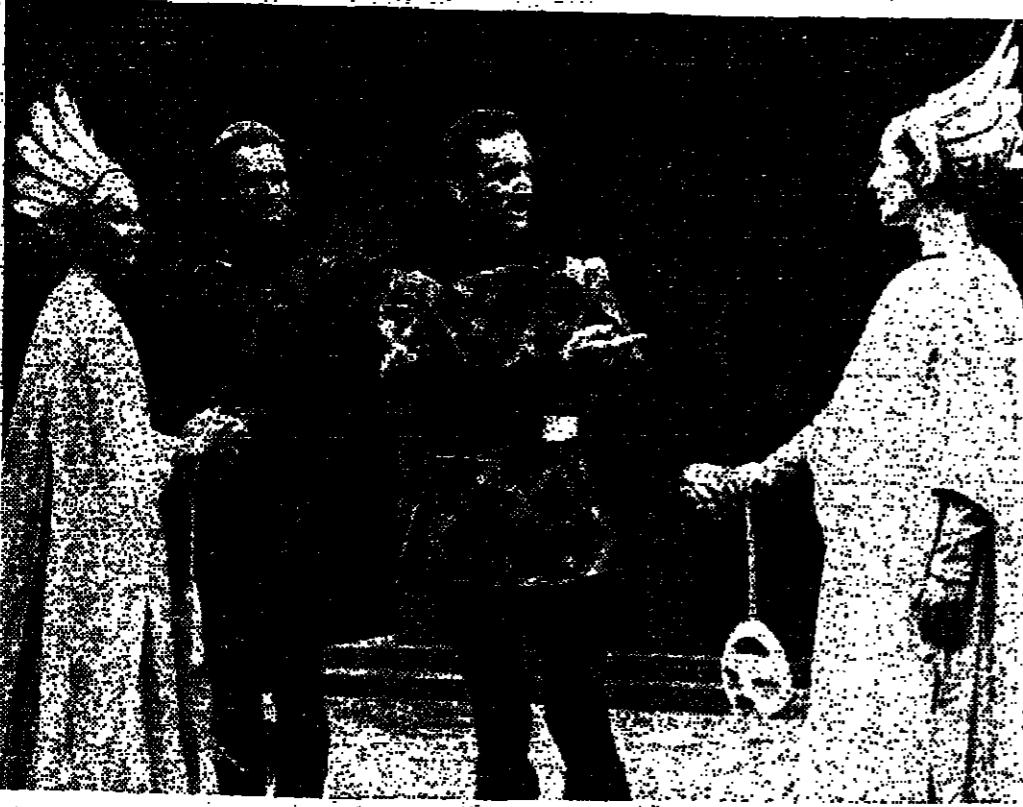
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## THE ARTS



Briony McRoberts (left), Peter Birch, Gerald Harper, and Gemma Jones

## New York

New York City  
Ballet

by DAVID VAUGHAN

The New City Ballet season that has just closed saw the addition of no fewer than four ballets by George Balanchine to the regular repertory, a remarkable fact in itself when it is considered that a little over a year ago he was out of commission following a serious illness. Of the four ballets, two had been previously given elsewhere: *Walpurgisnacht* Ballet at the Paris Opéra in the 1975 production of Gounod's *Faust*, and *Le Bourgeois gentilhomme* in the 1979 spring season of the New York City Opera. The other two were brand new: *Ballade* (Gabriel Fauré) and *Davidbündnerstück* (Robert Schumann). *Ballade* was done on the cheap, with hand-made décor and costumes from *Tricolore*, last year's disastrous French companion-piece to *Stars and Stripes* and *Union Jack*. *Davidbündnerstück*, on the other hand, is an expensive-looking production with elaborate scenery and costumes by Rouben Ter-Arutunian (who also designed *Tricolore* and *Bourgeois*). As often happens at New York City Ballet, the quality of the choreography is in inverse proportion to the expenditure on scenic trappings.

To Schumann's intimate piano pieces, Balanchine has choreographed a series of dances, mostly duets, for four couples (Suzanne Farrell and Jacques d'Amboise, Kay Mazzo and Ib Andersen, Heather Watts and Peter Martins, Karin von Arloingen and Adam Lüders), but it soon becomes apparent that he wanted to do more than make another ballet about romantic love — the piece also seems to refer, however obliquely, to the two sides of Schumann's personality, the impetuous extrovert (Florestan) and the gentle introvert (Eusebius). All the women at times hide their heads in shame — perhaps a typically 19th-century reaction to the physical side of their relationships with their partners? One couple, von Arloingen and Lüders, seem to have even worse problems — he rushes about the stage every which way as though looking for an avenue of escape, and at the end of the ballet, in fact, leaves her standing alone. Moreover, in a solo he is menaced by five macabre, black-clad figures who appear in the wings, carrying large quills and books and wearing tall top hats, presumably to symbolise Schumann's actual madness.

Ter-Arutunian has designed a setting whose backcloth is reminiscent of the visionary landscapes of Caspar David Friedrich, with a spectral cathedral floating like a mirage above a seashore. The suggested analogy between painter and composer is dubious; moreover, the Midas-like touch of this designer turns everything he touches into kitsch. The backcloth is framed by wings of white fabric floating from rows of gothic arches and divided by

skeletal branches of trees. It is enough to make one catch one's breath in horror when the curtain rises. Conceptually, this ballet must be called a failure.

*Ballade* is both more modest and more successful, a kind of companionpiece to *Ballade* regina. Both ballets were made to enshrine the attributes of the brilliant ballerina, Merrill Ashley, and in the case of *Ballade* to acknowledge and extend the new lyricism she has shown in her recent performances of Tchaikovsky's *Piano Concerto No. 2* (alias *Ballet Imperial*) and *Balanchine's* near-abstract redaction of *Swan Lake*. *Walpurgisnacht* similarly celebrates a ballerina, Suzanne Farrell, for whom the original choreography has apparently been revamped to display her virtuosity in all its facets — not only does she dance the expected coda, partnered by Lüders, and an *allegretto* solo, she is also given the music that ordinarily would accompany a male variation, with *cavrioles* battues and other *grand allegro* steps. This ballet is also dressed in dowdy cast-off costumes, from various sources.

*Le Bourgeois gentilhomme* was originally made for Rudolf Nureyev. Then, the choreography was credited to Balanchine and Jerome Robbins: now, it is attributed to Balanchine alone, but it looks as careless and slipshod as it did at the City Opera, and it's still desperately unfunny — the treatment of the title character, Monsieur Jourdain, is merely cruel. Martins, in the role of Cleoné, hardly bothered to work out a characterisation, and Farrell as Lucille, acts cute.

One doesn't, of course, go to NYCB to see beautiful costumes and scenery, but for the choreography and the dancing. In spite of a high rate of illness and injury this season, there has been a lot of wonderful dancing. Ib Andersen, the very promising young soloist from the Royal Danish Ballet, joined the company and looked immediately at home in almost everything — he danced in both the new ballets. *Ballade* having been intended for Sean Lavery, of the injured, Mikhail Baryshnikov, for whom no new ballet was choreographed by Balanchine during his brief sojourn in the company, danced a couple of performances of *The Steadfast Tin Soldier*, stepping in at short notice and without publicity for Helgi Tomasson, to partner Judith Fugate, and in *Orlando Paladino* (1782) there is an additional reminder. When the noble Orlando pushes forward his unwilling servant to address the dread figure of the sorceress Alcina, the effect is just that which Mozart was to contrive better with Don Giovanni, Leporello, and the statue of the murdered Commendatore.

Musically, as Antal Dorati's recordings have shown, the work is to be treasured as an example of right and stylish Haydn. As well as slow arias of sentiment and fast arias of humour or bravado, there are more subtly emotional passages of accompanied recitative. But on stage this "drama ero-comico" stumbles, the heroic and comic elements going ill together — especially the juxtaposition of the supernatural and the human.

The traditional figure of the knight of chivalry driven by love into raging insanity (*Orlando furioso*) is almost stripped of psychological interest or dramatic motivation. The love-intrigue is lightly done, the prevailing tone is not serious, and a modern audience can find little necessity for the spells of Alcina or the appearance of Charon at the gateway to the Underworld. Even such a resourceful producer as John Cox of Glyndebourne, who triumphed with Haydn's *La fedelta premiata* by making its artificialities more artificial still, might pause before the task of staging *Orlando Paladino*. The team of young professionals who call themselves (in an annual production) the Cannon Hill Music Theatre were bold indeed to offer what was claimed to be the first staging of the work since the composer's day.

There were some promising voices here, and some more than promising. Best of all, in the tenor role of Medoro (who has displaced Orlando in the affections of Angelica), was the ardent, graceful singing of Peter McCrystal — though he came unnecessarily to grief on an interpolated top C. Orlando himself (another tenor role)

## Round House

## The Strongest Man in the World

I feel about Barry Collins's ambitious play much as I did when it was first seen at the Nottingham Playhouse in October 1978: I warn instinctively to what it has to say about the Soviet Union — indeed, who in this country could not? — but I fail to respond to it as drama. The dilemma is almost a classic one. For some people, the tale of the callous victimisation of a sporting hero at the Moscow Olympics who dares challenge the authorities' demands on his manufactured status in the Hall of Heroes, is sufficient reason for unqualified applause. But the story is slow to unfold, does not burn with much dramatic heat and often misfires badly at its moments of emphasis.

However, Nikolas Simmonds's production is an improvement on Nottingham in extracting the humour of the writing and its indomitable Yorkshire verve.

Shukhov is a miner who performs valiantly in a pit disaster and is snapped up as the State's prime candidate in the maximum-weightlifting event. When a rival American is reported to be lifting tons before breakfast (the danger of that challenge would not now, of course, apply) Shukhov is pumped full of steroids and driven on to triumph. His family back home watch him win the gold on a television installed by the State in a grateful exchange for propaganda fodder.

The personal cost to Shukhov of all this is driven home in the play's second act. His hormone balance has become disturbed and he can no longer make love to his wife, even in the President's wedding gift of a four-poster bed. He destroys his own image in the Hall of Heroes, is sent for "trial" and incarcerated in an asylum while his mother is confined to her

village and his wife banished to Siberia.

In prison, other dissidents tattoo his body with revolutionary slogans and a butterfly. There is a pleasing shift to a lyrical plane in the final scene where a female doctor awakens his dormant spirit and sex drive and, as we hear a sentence of solitary confinement until death passed up above, Shukhov begins joyously to chisel away at the rock-solid floor with a knife and fork. The butterfly may dance for a while, but will in the end be crushed.

Michael Attwell is more middle than heavyweight, but he turns in a perfectly competent performance in the midst of British Army-style trainers, supercilious bureaucrats and twitching fellow-prisoners. I left the theatre impressed by the sentiments but unmoved by their expression.

MICHAEL COVENY



Michael Attwell

## Midland Arts Centre, Birmingham

## Orlando Paladino

The new exposure of Haydn's operas proceeds apace, but with a disadvantage. Whereas a work by Cavalli or Rameau (to name two as a chief object of operatic revival) provokes a sense often to be "Mozart minus." In the main this is a matter of purely musical style, but in Haydn's *Orlando Paladino* (1782) there is an additional reminder. When the noble Orlando pushes forward his unwilling servant to address the dread figure of the sorceress Alcina, the effect is just that which Mozart was to contrive better with Don Giovanni, Leporello, and the statue of the murdered Commendatore.

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not be pleaded as a sufficient excuse: to attempt a professional theatrical assignment must imply an undertaking to make it work. To have the vain-glorious knight Rodomonte as a swaggerer, to give Alcina no appropriate gestures, indeed to miss almost every opportunity for expression by gesture and movement — these were signs perhaps of a lack of experience, perhaps of an insufficient conceptual imagination.

Costumes by Andy Greenfield, in which Medoro was like a young man-about-town from Haydn's Vienna and the armed knights came apparently from Monty Python's world of the Holy Grail, were also not an aid to artistic credibility.

ARTHUR JACOBS

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Merrill Ashley and Ib Andersen

## Schiller-Theater, Berlin

## The Play of the Resurrection

by RONALD HOLLOWAY

a magnificent ensemble that impressively fell in and out of the roles they were playing.

The Ida Böll transplant of a Catholic tradition to Protestant Berlin had its effect for nostalgia's sake, but unfortunately there was little else to recommend it. Why the questionable reference to Dejmek? The change in title is unexplained by the programme. More offensive to the spirit of the play, however, was the pretty-faced Christus, the scrubbed-chorus with the practised hymns, the uninspired resurrection scene, and the *Staatsbühne* thespians standing around listlessly as though waiting for a cue in a Life of Christ movie production.

In short, a sober and edifying performance for a modern-day Conference of Christians.

*Das Spiel von der Auferstehung* was the all the more disappointing because something seems to be in the wind these days with regard to religious drama. Hundreds of young people filled the streets and jammed the Olympic Stadium for the occasion. If our present, activated Pope had paid a visit to the conference, would he have recognised the glorious resurrection at the Schiller-Theater as an expression of both piety and politics, as Dejmek intended? Probably not.

Back in 1935, T. S. Eliot's historical verse play, *Murder in the Cathedral*, was performed

On the occasion of the 26th German Catholic Conference, this time in West Berlin, the Schiller-Theater presented a religious drama for the participants and its own theatre-goers. As the programme read, *The Play of the Resurrection* by Ida Böll is based on an idea by Kazimierz Dejmek with reference to the medieval mystery and Easter plays.

If that sounds familiar to the theatre-festival follower, refer back to your records of the Theatre of the Nations festival of 1931 in Paris. There may be other references to guest performances across Europe of Kazimierz Dejmek's production of *The Story of the Glorious Resurrection of Our Lord* by Mikolaj Z. Wilkowicki (written

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## FINANCIAL TIMES

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Thursday July 10 1980

## A grip on the purse strings

WHEN THE Cabinet meets today for its second major discussion of the Government's economic strategy, one simple fact is likely to dominate the proceedings. While the economic indicators generally, the inflationary expectations in particular, are now beginning to move towards the paths charted by the Government, public sector borrowing could well overshoot the forecast made in the March Budget. The question which will divide Ministers is whether they can feel satisfaction with the progress of their policies, while public borrowing and spending are veering off target.

Yesterday's central government borrowing requirement figures provided a clear indication of the widening gap between government spending and revenues. To put the matter at its most alarming, 48 per cent of the CGBR projected for 1980-81 had already been used up in the first quarter. Public borrowing normally rises rapidly during the first few months of the financial year and slackens off in the last quarter, but such a rapid build-up is unprecedented. Like most of the short-term financial indicators, this one is heavily distorted by tax changes, industrial disputes and other irregular factors, so the true state of Government finances is probably a good deal sounder than might appear at first glance. Nevertheless, looking at the spending and revenue items separately, a disquieting, if not alarming, picture emerges.

## Warnings

Total consolidated fund expenditure, which was planned to rise by 20 per cent during the year as a whole, is 27 per cent up, relative to last year's April-June quarter. Meanwhile, revenues have increased by only 17 per cent, compared with the 20 per cent year-on-year increase projected in the Budget. While too much should not be read into a single set of figures, the Government can no longer afford to ignore the warnings emanating from economic forecasters of all persuasions, ranging from the London Business School's monetarists, to the new-Cambridge protectionists, that its borrowing plans have not taken sufficient account of the effects of recession on both revenue and spending.

Thus, as they consider the outlook for public spending at their Cabinet meeting today, Ministers should attempt to distinguish between those over-runs which are the inevitable effects of recession and those which are due mainly to laxity in control and planning. It would be

## Control

It is this new, responsible attitude to spending, whether in local government, in defence or in the fastest growing programme of all-debt interest, that the financial markets and the government's supporters are now seeking. The control of spending in the longer term, rather than the achievement of any particular set of figures in a given year irrespective of cyclical factors, should be the government's objective.

## Danger signals in Zimbabwe

THE WAR of words between the two parties in the Zimbabwe Government, which has been a feature of the last few weeks, escalated into physical violence yesterday as supporters of Mr. Robert Mugabe, the Prime Minister, and of Mr. Joshua Nkomo, his Home Affairs Minister, clashed in the streets of Salisbury. The incident itself — two people were injured after which the crowd dispersed — was relatively minor. But the growing tensions between Mr. Mugabe's Zanu (PF) and Mr. Nkomo's Patriotic Front bodes ill for the future stability of the three-month-old Zimbabwe Government.

The coalition between Mr. Mugabe and Mr. Nkomo is an unequal one, while the tensions between the parties led by the two men have their origin in a long history of often bloody rivalry which at base is as much tribal as anything. Mr. Mugabe's overwhelming election victory last March would have allowed him to form a government entirely from his own Zanu (PF) party. Instead, in the interests of national reconciliation, he offered four out of his 23 Cabinet posts to Mr. Nkomo's Patriotic Front. His uneasy partner in the guerrilla war and in the Lancaster House negotiations.

## Out of turn

But opposition to the coalition from within Mr. Mugabe's party, always strong, has now grown to such an extent that Mr. Enos Nkala, Mr. Mugabe's this week that his party's task Finance Minister, could declare war to "crush Joshua Nkomo and forget him." Mr. Nkala has a reputation as a fiery old-style nationalist and may well have been speaking out of turn, though whatever the status of his remarks — and they have not yet been repudiated by Mr. Mugabe — they point to undoubtedly widespread dissatisfaction on both sides with the coalition.

Mr. Nkomo himself, while publicly declaring that his aim, like Mr. Mugabe's, is national

damaging, both to the real economy, and to the chances of maintaining the Government's medium-term policies if, in an excess of zeal, Ministers decided that public spending and borrowing had to be reduced at all costs despite the fact that the recession looks like being considerably deeper than the Chancellor had expected. The aim of Government policy must be to reduce the trend of public spending and borrowing. It must not be to counteract the automatic stabilisers which are just as valuable a part of the market economy as, say, the forces of competition.

This does not mean that the Government can afford to take a complacent attitude to all forms of overspending. While two of the biggest programmes — social security and nationalised industry financing — are extremely vulnerable to cyclical factors, these are not the areas that are currently causing greatest concern to Ministers. Defence and the local authorities, which spend the great bulk of their money on housing and education, appear to be the biggest overspenders at present.

The problems of controlling local authority spending, which is left, for good constitutional reasons, in the hands of local politicians, are daunting, but not insurmountable. The moratorium on capital spending, which has been mentioned as a threat, would be a needlessly destructive way of tackling the problem. It would do nothing to attack current spending, which is where the vested interests of councillors and the municipal workers' unions lie. A better solution would be a reduction in the topping up of the Rate Support Grant which the government provides to local authorities in November. But even this rather draconian measure, which would punish extravagant and frugal alike, may not be necessary. The authorities have been asked to revise their budgets by August and there is still a chance that most will adopt a responsible attitude.

## Control

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## THE SHAH AND THE HOSTAGES

IN THE turmoil of today's Iran the announcement of the death of the exiled Shah would make little difference. The popular view, hammered home by the country's new rulers, is that their former ruler was a puppet of the West; so, in the public's mind his removal from the scene would ease only marginally the national obsession about the enemy without.

To be sure, his death would provide a psychological fillip to the mullahs, the Muslim clergy, and would simultaneously cast the exile opposition groups into temporary disarray. It would remove the fear within Iran of a replica of the 1953 CIA-backed coup which brought the Shah back from a temporary spell abroad. But it could not exclude the possibility of the return of his son, 19-year-old Crown Prince Reza, or some other pro-western surrogate.

Currently chief candidate for the surrogate role is Dr. Shapour Bakhtiar, a Francophile and the last Prime Minister under the Shah. He heads a movement based in

Paris which has surprised sceptics by growing in strength and conviction in recent months and has received overtures of alliance from other former notables of the monarch's day who have organised their own military and political opposition.

With the fate of the 53 American hostages in Iran very much in the balance Washington will want to move with caution in its dealings with the embryonic opposition movement. Depending on how the internal dynamics of Iran work themselves out this summer and autumn, this posture may change.

The hostages are no nearer to freedom now than they have ever been in their eight months of captivity, with the most likely prospect being a trial of sorts — either of the U.S. or of the Shah — sometime in the autumn. The U.S. Government has already been told at a high diplomatic level to brace itself for such an eventuality and to remain calm if it happens.

## MEN AND MATTERS

## Leaving the family firm

"You win some and you lose some," mused Gil Cooke, managing director of C. T. Bowring, now part of the giant Marsh and MacLennan U.S. insurance broking group. The great grandsons of Benjamin Bowring who opened a watchmaker's and jeweller's shop in Exeter back in 1803, Benjamin's son, C. T. Bowring, is the man from whom today's group takes its name.

Yesterday Clive Bowring and Peter Stoddart, both descendants of the founding father of the group, added their names to the lengthening list of escapees. Stoddart, 46, and Bowring, 43, are the great, great grandsons of Benjamin Bowring who opened a watchmaker's and jeweller's shop in Exeter back in 1803. Benjamin's son, C. T. Bowring, is the man from whom today's group takes its name.

The first of the family to pack their traps since the Marsh and MacLennan takeover, they are departing for the more intimate atmosphere of Robert Fleming, where they will act as consultants for the establishment of an insurance broking subsidiary.

"I've been with the firm 25 years, so I've been through absolute agonies," Stoddart told me yesterday. "But London

recognises the Soviet-backed MPLA authorities in Luanda as the true government of the former Portuguese colony.

So after a two-day visit to London, during which he was

ostentatiously excluded from

top political contacts, he must

have been relieved to find some

aliens prepared to cock a sympathetic ear to his message on

the need to fight communism and maintain a bulwark against

the spread of Soviet influence in

Southern Africa.

The ear of du Cann, chairman

of the Tories' 1922 Committee

and a leading member of the

Lonrho board, is, of course,

finely tuned to receive such

messages. And Lonrho in the

past has shown itself willing to

help democracy's champions in

the Dark Continent, giving aid

which included the loan of an

executive jet to Savimbi during

the latest round of judicial

promotions has given rise to

some intriguing courtroom

speculation, says my man with

his ear to the beach. Involved

are Lord Justice Bridge, who is

to go to the House of Lords, and

Mr. Justice Griffiths, elevated

to the Court of Appeal.

Lord Justice Bridge recently

made a brave showing in the

race for the job of Lord Chief

Justice, only to be pipped by

Lord Lane. Could there be an

element of compensation in his

President highlights the manifold problems affecting the economy in an attempt to break the headlong rush of the fundamentalists supporting Khomeini, who believe the revolution has to keep running to stand still.

But few dare to stand up to the old man and no-one with any interest in taking part in the running of the country dares to oppose him publicly. To do so, as did Mr. Hassan Nazifi, the first head of the state oil company after the revolution and a doughty fighter against the Shah's regime, is to invite being thrown to the wolves, in the shape of the "Party of God" hoodlums.

Nevertheless, the manifestations of the malaise are there for all to see. There is the open hostility in the capital's streets against the turbaned and brown-cloaked mullahs a much more common sight than ever before; the occasional, half-glimpsed gatherings in public places of men who shout "Long live the Shah!" then disappear; the fresh crop of anti-Khomeini wall slogans; the return to the habits of pre-revolution days of tuning in every evening to foreign radio stations, both clandestine and above-board.

It is easy to dismiss these warning signs as Ayatollah Beheshti, the leader of the fundamentalists does, as insignificant, reflecting only the discontent of a class which has lost power and cannot adjust to the new circumstances, or to put them down to the work of professional agitators.

But the fact is that in Tehran and in many important provincial cities Iranians of all classes are, for different reasons, near the end of their tether. "How

much longer can this go on?" and "Why are they pushing us so hard?" are the sort of rhetorical questions which elicit a despairing shrug.

The objects of the abuse are usually the paramilitary Revolutionary Guards, a motley force of young bearded men in camouflage jackets whose fanaticism bears comparison with both Mao's Red Guards and the Communists. Nearly everywhere it is they rather than the regular police who are in charge of security and law enforcement, Islamic-style.

They work hand-in-glove with the Islamic Republican Party, the main pro-Khomeini party, and the Islamic councils on the one hand and with the local governors, usually men of a similar breed, on the other in carrying through every change of gear in the revolution.

The latest gear change ordered by Khomeini two months ago and repeated recently in a sharply worded message to President Bani-Sadr for a thoroughgoing cultural revolution in education, administration and modes of behaviour. The campaign is now in full swing, in spite of feeble protests from women's groups.

Its sharp edge is the purging of thousands of government employees from Iran's bloated bureaucracy and from schools and universities, on grounds of "co-operating with SAVAK."

The Shah's secret police, or simply being antipathetic to the revolution's Islamic ideals. They join an estimated 2.5m to 3.5m others unemployed and with little prospect of work.

Who, ultimately, controls the Guards (a question journalists and diplomats in Tehran are fond of asking each other) no one knows. The answer probably is that no one person does, though different senior members of the Revolutionary Council and of the Bani-Sadr Government can probably lay claim to a certain amount of allegiance.

Among the power figures are Dr. Beheshti, Ayatollah Mahdavi-Kani, in charge of that other revolutionary institution, the committees, and Mr. Mehdi Chamran, who runs the secret police and is the brother of the Defence Minister.

The divisions in the administration as a whole, between pragmatists such as the President and Mr. Mehdi Bazargan, the former Prime Minister who resigned when the contradictions proved too much to bear any longer, and hardliners, for want of a better word, such as Ayatollah Rafsanjani, are reflected within the Revolutionary Council. Mr. Hassan Habibi, who is likely to be nominated shortly as Prime Minister, is usually regarded as the "swing-voter" in a 13-man Council split evenly on most issues.

In practice the hardliners have usually managed to outwit or outmanoeuvre Mr. Bandi-Sadr, who is the Council's chairman. At one stage in May the former Paris student of economics was said to be in such despair that he contemplated resigning — a step which would have gratified Ayatollah Beheshti immensely, as it is he

has been sometime later this month after the approval of Parliament, at which time the Revolutionary Council would dissolve itself. Latterly, though, there have been hints that it may continue in some other guise.

The most likely scenario for the succession to Khomeini as the nation's supreme leader is that Parliament, as the representatives of the people, would

choose a new president or

prime minister.

If he were to die suddenly

the consequences are almost in-

calculable. This would especially

be so if it were to come before

the new government structure

was operating, and the revolution-

ary institutions dismantled.

One possibility is an attempt by

some unit in the armed forces

to seize power, taking advantage

of the confusion.

In theory a Prime Minister

and full Cabinet should be

appointed sometime later this

month after the approval of

Parliament, at which time the

Revolutionary Council would

automatically step up until a

new election could be held.

The President held on, despite

his setbacks in failing to estab-

lish a provisional government

before Parliament met (a bla-

tant tactical move which foiled

the most effective arms of

the mullahs). The causes are

the non-stop power struggle

which has blocked any decision

taking on the economy beyond

the West's economic sanctions

in support of the release of the

hostages.

The key to the success of

sanctions is the refusal of the

major western and Japanese oil

companies to buy Iranian

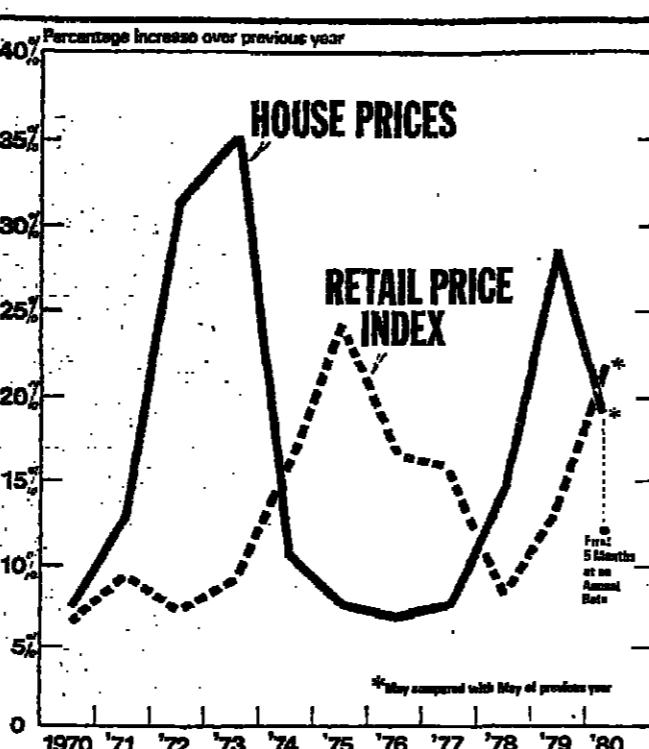
# A song in Whitehall

DESPITE the unseasonal wet and cold, some of the people most closely concerned with British government economic policy can be heard singing in the bath. This very fact will drive some industrialists, struggling with recession, and a strong pound, to further paroxysms of fury; and it is noticeable that the Bank of England does not entirely join in the celebrations.

The main reason for the rejoicings at the Whitehall end of town is that inflation is coming down faster and faster than most mainstream officials and forecasters thought possible even a few weeks ago. The sooner that inflation comes down, the sooner pay rises will moderate; and the sooner the latter happens, the sooner one can hope for a turnaround in unemployment.

Exponents of the conventional wage-push, cost-plus view of the world are at a loss to explain what is happening. All sorts of prices not directly connected with the wage round have changed direction radically. Spot oil prices have fallen, and petrol prices are being lowered only a few weeks after their last increase. Materials and fuels produced by industry cost less in June than in April. The early summer sales at knockdown prices in the High Street may be a business sign that "trade is bad," but for the customer it is good.

The attention of the Cabinet at its economic tea in a week ago was particularly directed to house prices. These are closely related, in magnified form both to the money supply (and may provide a good guide to the money supply when the monetary figures are hopelessly confused by technical distortions) and to the increase in



The reason for the unexpectedly rapid progress on the inflation front is that the monetary squeeze is much sharper than any government would have dared to plan consciously. The argument between proponents of Professor Milton Friedman's gradualism and Professor Hayek's immediacy has been settled by events, which have brought about something between the two.

Because of the rebound from past pay policies, and the delay in securing credibility for the Government's monetary objectives, earnings have been rising up to now by over 20 per cent per annum (if we believe the index). This has put direct pressure on profit margins, and

together with other price increases, has squeezed the real money supply harder than the Government originally intended. In addition, the bigger than expected overseas demand for sterling has led to a high exchange rate, which has intensified the pressures on profit margins and made it increasingly difficult to increase prices. As monetary policy acts in an open economy to a large extent through the exchange rate, the rise in sterling has been equivalent in its effect to an extra tightening of the monetary guidelines.

Moreover, signs are multiplying that the strong real exchange rate—that is the

sterling rate corrected for inter-

national inflation divergences—is not just the result of high UK interest rates, but reflects an oil premium (the effect of 1977 reflected both the post-Heath wage explosion and the monetary clampdown of the Healey period). The subsequent recovery reflected first the initial success of the Healey pay policies and the subsequent loosening of monetary policy.

The James Capel Review suggests that the "intuitive optimism" behind last week's reduction in the Minimum Lending Rate will be seen to be justified in the autumn when the distortions of the corset have disappeared.

The present optimistic mood will be rudely interrupted when this month's employment statistics are published on July 22. The peak influx of school leavers together with normal seasonal movements will be sufficient to take the headline unemployment figure from 1.66m to 1.8m and it could be higher still. Senior Ministers are being advised—for once correctly—that the level of pay rises is the clue to halting the upward drift in the jobless.

It is this which accounts for the new emphasis on wages and the insistence on MPs showing an example in their own salaries. Indeed the relation between pay and unemployment was explained for any one who was listening in the middle of the Prime Minister's statement on the Boyle recommendations.

The relationship, spelled out in the chart at the top of the article was revealed to the Cabinet a week ago today. The moral is simple. When earnings rise faster than the money supply, people are priced out of work and unemployment rises.

Moreover, signs are multiplying that the strong real exchange rate—that is the

wage explosion at the end of the first Wilson Government and the beginning of the Heath one. The unemployment peak of 1973 reflected both the post-Heath wage explosion and the monetary clampdown of the Healey period. The subsequent recovery reflected first the initial success of the Healey pay policies and the subsequent loosening of monetary policy.

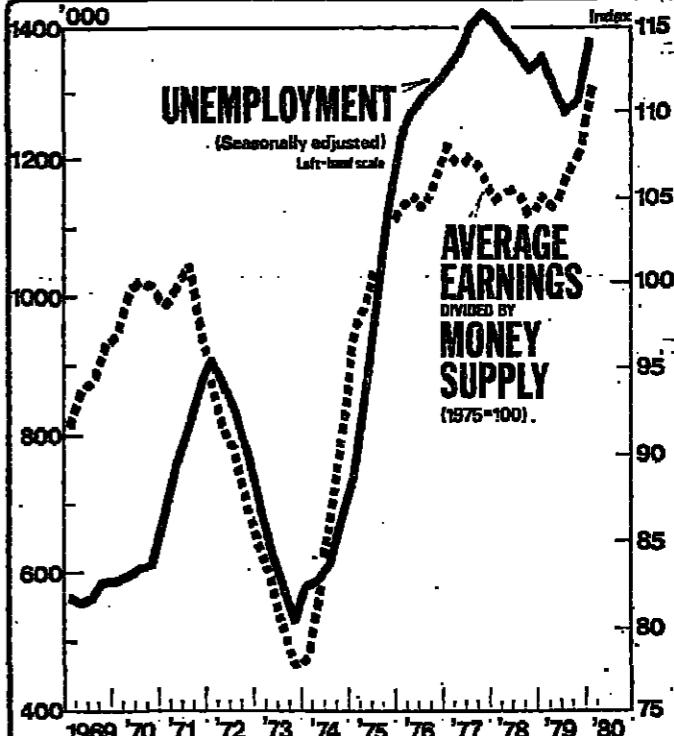
There is, however, more in the relation than meets the eye. Why are earnings divided by the money supply rather than the price level? The ratio plotted can be regarded as the quotient of two other ratios.

These are earnings divided by prices and prices divided by the money supply. The first of these, of course, represents real wages (before tax). For a given level of labour productivity it shows the extent to which workers are pricing themselves into or out of jobs. This is about the most important factor on the supply side.

The second ratio shows the real value of the money supply and is a good shorthand indicator of what is happening to real demand. Thus the two together combine in an ingenious way both the demand and supply forces behind the movements in unemployment.

This might suggest that unemployment can be alleviated by boosting the money supply or by pay restraint. The first route, however, is completely deceptive. The Government and Bank of England can control only the nominal money supply. The stimulus to business and employment lasts only during the lag until the additional money works its way into the price level.

The lag would be much shorter today than in the Heath boom of 1972-73. Financial and



labour markets are now far more sensitive to monetary policy. A monetary boost would be reflected far more quickly in the exchange rate, asset prices and the cost of living. Moreover, if people react to inflationary fears by increases in precautionary saving, there may not be even a temporary boost to real demand. In that case, abandoning the monetary objective would leave the UK with a higher rate of inflation and less than nothing to show in terms of higher employment.

Thus the only sustainable approach is on the pay side, or by boosting the money supply or by pay restraint. The first route, however, is completely deceptive. The Government and Bank of England can control only the nominal money supply. The stimulus to business and employment lasts only during the lag until the additional money works its way into the price level.

The well-known trouble with the public services is that their products are not sold in a competitive market. The Government has to determine the demand side by the cash limits laid down for public expenditure. For obvious reasons it

Samuel Brittan

## Letters to the Editor

### Bogey of Sunday trading

From the Deputy General Secretary, Union of Shop Distributive and Allied Workers

Sir—The director of the National Consumer Council (July 1) attempts to pour scorn on Mr. Tony Torney, the Union of Shop Distributive and Allied Workers MP, for what he describes as "the bogey of shop assistants being forced to give up their leisure and work on Sundays."

Mr. Mitchell suggests that there are other laws preventing shop assistants from working excessive hours. I would point out to him that there are also laws provided under the Wages Council Act protecting workers in respect of wages, that is statutory minimum rates.

These laws lay down what are considered by many people to be very low statutory minimum rates of pay and these are designed to meet the requirements of the less efficient and smaller retailer, and yet we find that the few retail entrepreneurs who are using every trick possible to flout the Sunday trading laws (thank goodness there are only a very few) are actually paying many of the staff no more than the statutory minimum rates. So much for progress in the 1980s.

Mr. Mitchell should also face up to the fact that this is the seventh attempt to introduce legislation to provide for a free-fall in retail trading. The last occasion was in the House of Lords, when much of the argument was based on giving greater opportunity to the boom tourist trade.

We were told on that occasion tourists were very anxious to

shop in Britain's food and butchers' shops. This position apparently has now been altered because, according to an assessment by one of the biggest estate agents in London, about 40 per cent of their tenants have not yet made their quarter-quarter payment due by the end of June, and they suggest that part of the difficulties which their tenants are having to face has been the tremendous reduction in business as a result of a dramatic fall-off in tourists coming to Britain and the West End shops because of the strong pound.

I am assuming that this is why the argument on this occasion is now being switched from the tourist to the British consumer. In effect, each new attempt brings up a new synthetic argument to justify the introduction of a free-for-all, seven-day trading week.

The licensing trade in Scotland adjusted opening hours in order, we are told, to bring the Scottish scene into line with practice in England and Wales. On statistics available, this does not appear to have led to an upsurge in alcoholism in Scotland, or indeed to excessive Sunday or mid-afternoon drinking. But what has happened is that prices were increased in the peak periods because of increased overheads, as a result of extended hours—precisely the arguments being advanced by those of us who seek to protect the consumer in this debate as well as the retail worker.

John Flood  
USDAW  
188 Wimstion Road,  
Fallowfield, Manchester.

ability have founded. The complexity of the existing arrangements is to be retained, with new elaboration added. The scope for manipulation of local decisions by Whitehall will, even according to the Government's own local government leaders, be increased.

Robin Pauley's article (June 30) accurately reflected the growing belief among officials and elected members that block grant cannot make any of the improvements claimed for it.

Tony Travers  
North East London Polytechnic,  
Roxford Road, E13.

Backing their judgment

From the Deputy Director-General, Confederation of British Industry

Sir—In his letter (July 7) Mr. Moss criticises the Confederation of British Industry and all companies who use headhunters or intermediaries as he calls them. Mr. Moss clearly does not understand the role of the head-hunter, which is to search and find the right candidates and to submit a shortlist from which the client can select. This is precisely what will happen in the case of the CBI. It is naive in the extreme to suggest that a firm of head-hunters is being made responsible for the ultimate selection of a director-general of the CBI.

Edward James  
CBI, Central Point,  
103, New Oxford Street, WC1.

Definition of provisions

From the Deputy Chairman, United City Merchants

Sir—Mr. Matthews (July 2) correctly quotes the wording of

the Companies Acts, but the section he quotes relating to diminution in assets clearly relates to what are really provisions, and I was arguing that the "general provision" is a reserve whose movements should be disclosed. I am well aware of the wording in the Act. In any case I believe he agrees with this view.

As to the exemption from disclosure of the movements in provisions, of course movements relating to true diminution are within the exemption, but all other movements should be disclosed; yet seldom are. It is in any case the view of some authorities that "assets" in the context quoted by Mr. Matthews relates specifically to fixed assets.

The subject is somewhat

### Non-tariff barriers

From the Director General, Federation of Manufacturers of Construction Equipment and Cranes

Sir—The problem facing UK manufacturers of lifting equipment results from the nature of our safety legislation which, uniquely in Europe, does not consist of specific detailed regulations with an official acceptance procedure to enforce compliance, but simply imposes a general duty, under Section 6 of the Health and Safety at Work Act, to design and supply safe equipment.

British companies seeking to export lifting equipment to other EEC markets have to submit their design to approval organisations before their products are allowed to be imported.

It is usually a requirement that the equipment has to comply with national standards of the importing country and calculations have to be provided to demonstrate conformity. There are thus "non-tariff barriers" set up in the name of safety, which can be used to impose delays, design changes and extra cost on the world-wide exporter.

In the case of a foreign manufacturer importing lifting equipment into the UK there is no such approval requirement, and any equipment can be imported without hindrance and set to work. The fact that the health and safety at work legislation applies to such imported equipment does not ensure that it is to the high standards of design and safety which have evolved in the UK, because no official will necessarily examine the equipment unless there is an accident involving its use. The UK legislation achieves its purpose by placing an obligation on the manufacturer, and on his designer, which is backed up by the executive's specialist officials who provide a great deal of consultation and detailed interpretation. There is an ultimate sanction in the threat of criminal proceedings against companies, their executives and even designers. This process results in standards of design, manufacturing quality, testing and safety, which are amongst the highest in the world and which are codified, but only partially, in British standards and codes of practice.

The position, however, of a manufacturer in, say, Eastern Europe or the Far East, who is exporting to the UK, is that he does not have the dialogue with our Health and Safety Executive, he is not obliged to comply with British standards and codes of practice and he is not under threat of pro-

ceedings under UK criminal law. It appears that the Section 6 obligations devolve via the importing agent upon the eventual user in such a case but, as the latter is not skilled in the design of lifting appliances, this would not seem to provide a watertight safeguard. The fact that someone may have to be injured or killed before the Health and Safety Executive is called to examine an unsafe appliance and prohibit its use appears a weakness in legislation which, in the case of UK manufactured equipment, is highly effective.

Less attention is drawn to this anomalous position than one might expect because most imported lifting equipment is reasonably safe and because it is a statistical fact that nearly all accidents are due to human error, rather than equipment failure. The deep concern of UK manufacturers centres upon an unfair trading situation in which the UK has no barriers to imports of lifting equipment whereas UK exports to Europe face highly effective obstacles. The health and safety legislation was not devised as a technical barrier and no criticism can be levelled at the executive for not doing something which was never its job. We should not be surprised however when British manufacturers express the wish that it should operate on the Continental pattern with which they have to grapple in their export markets.

Dialogue between industry and Government has not made any progress in the area of non-tariff barriers and has revealed a vague and unjustified optimism in Government that the European barriers will be removed. We can observe no indications that this will happen and recently new barriers have been created in France. Official EEC policy seeks to harmonise the regulations, so that all member countries would eventually require equipment to comply with the same detailed regulations but this solution is incompatible with the UK system which does not use detailed regulations and has no acceptance procedure.

In the grim trading conditions now facing the UK crane and lifting equipment industry, manufacturers would like to see rules which favour the home side but if that is politically unacceptable they should surely at least be the same for everyone.

P. S. Lane  
Federation of Manufacturers of Construction Equipment and Cranes,  
8, St. Bridge Street, EC4.

### GENERAL

UK: Mr. David Howell, Energy Secretary, speaks at Society of Local Authority Chief Executives' annual conference, Edinburgh.

Mr. James Prior, Employment Secretary, opens new phosphate plant, Ann Street, Widnes.

National Union of Mineworkers' annual conference continues, Eastbourne (to July 11).

Industrial Tribunal resumes on Leyland foremen dismissed after allowing workers to sleep on night shift, Birmingham.

R. S. Waldron.

United City Merchants, 35, Swallow Place, Princes Street, W1.

The subject is somewhat

### GENERAL

London: draft budget for 1981, Strasbourg.

President Valery Giscard d'Estaing of France on official visit to Bonn.

PARLIAMENTARY BUSINESS

House of Commons: Opposition motion on decline in manufacturing industry.

House of Lords: Health Services Bill, committee.

COMPANY MEETINGS

Atkins Bros (Hosiery), The Old Cottages, Lower Bond Street, Hinckley, 12, Capper Neill, Maidstone (to July 12).

International Showjumping, Hickstead, West Sussex (to July 13).

Overseas: President Jimmy Carter meets Chairman Huai Guofeng, the Chinese leader, in Tokyo.

European Parliament hears centenary convention, Royal Commission's ideas on the pre-

Estates, 14 Great Tower Street, EC12, Fidelity Radio, Cunard International Hotel, 1 Shoreditch, W. 11, Morgan Crucible, Cafe Royal, 66 Regent Street, W. 10, 30, J. N. Nichols (Vimto), Lonsdale Road, Wythenshawe, Manchester, 11, United Engineering, Midland Hotel, Manchester, 12.

COMPANY RESULTS

Final dividends: Braithwaite Engineers, Daelan Holdings, Philip Harris Holdings, Howden Group, Mitchell Somers, Oil and Associated Investment Trust, Ratners (Jewellers), United Gas Industries, Interim dividends: Imperial Group, Sotheby Parke-Bernet Group, Tribune Investment Trust, Watson and Philip.

## ISSUE NEWS

## MEPC to issue \$30m convertible Eurobond

MEPC will offer through its wholly owned subsidiary Metropolitan Estate and Property International NV, a \$30m eurobond convertible into MEPC ordinary shares, the property group announced last night.

MEPC, the second largest listed UK property company with property assets of £643m, explained that the proceeds of the issue will be used primarily to finance further expansion in the U.S. and also to reinforce existing dollar debt.

The bonds will have a maturity of 15 years, will be guaranteed by MEPC and carry a coupon of 8½ per cent per annum; they will be convertible on or after February 1, 1981 until December 15, 1995.

The conversion premium is to be fixed at time of offering; it is expected to be 10 per cent above the price of MEPC Limited's shares prevailing at that time.

Interest will be paid annually in arrears on January 15 in each year, the first payment being made in 1981.

The terms of the issue provide for optional redemption by the issuer from January 15, 1985

until January 15, 1990, at a premium of 105 per cent in 1985

declining by 1 per cent annually thereafter, provided that the market price of MEPC Limited's shares has been at least 150 per

cent of the conversion price for 90 days. From January 15, 1990

the bonds may be redeemed at par without restriction. Application is being made to the Stock Exchange in London for a listing of the bonds.

The issue is co-led managed by Morgan Grenfell Co. and Kuwait International Investment Co. and co-managed by Banque Bruxelles Lambert SA, the Industrial Bank of Kuwait KSC, Morgan Stanley International, Piereson, Heldring and Piereson NV, S. G. Warburg and Co. and Wardley Limited.

## SUNDERLAND AND SOUTH SHIELDS

The average tender price in the offer for sale of £3m 9½ per cent preference stock by the Sunderland and South Shields Water Company was £102.497.

The issue attracted applications for 9½m of stock and the lowest price to receive a partial allotment was £102.31. Dealings began today.

## EQUITY CONSORT

Taxable revenue of Equity Consort Investment Trust rose in the year to April 30, 1980, from £481,362 to £584,828.

The tax charge was up slightly at £173,849 (£170,250) and gross earnings per £1 share are given as 12.61p, against 11.15p.

A final dividend of 8.68p (7.75p) makes a total of 12.25p (10.75p).

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ANSWERING

## Bulmer 27% ahead at £3.3m

## HIGHLIGHTS

WITH TURNOVER rising by 23 per cent to £9.32m, pre-tax profit of H. P. Bulmer Holdings advanced 27 per cent to £3.25m in the year ended April 25, 1980.

Mr. Peter Prior, chairman, says: "cider sales in the first two months of the new financial year 'have not been up to expectations' but 'I shall be disappointed if we do not show a further improvement in our results in 1980-81.'

At halfway, when pre-tax profit was up from £1.93m to £2.5m, the directors expected full year results to show a worthwhile improvement but they did not expect to reach the record £3.89m of 1976-77, the last year before the full effect of the cider duty was felt.

The chairman now reports that the second half showed an accelerated rate of improvement with sales rising by 26 per cent with pre-tax profit up 33 per cent.

Group trading profit in the year rose by 34 per cent to 25.35m, double those of the first half of 1979-80, the last year before the full effect of the cider duty was felt.

While keeping in the original capital expenditure programme of £3.4m for 1979-80, the group has been able to contain the level of group borrowings at April 1980 to only £81m compared with £75.5m a year earlier.

The group remains in a strong financial position with net borrowings at April 1980 representing 33 per cent of shareholders' funds, the same ratio as at April 1979.

In April this year Red Stripe premium lager was added to the range of drinks and in May selling and distributing "up" in Little bottles began. Bulmer will also be bottling this product later this year.

The encouraging trend shown by the Australian subsidiary reported last year continued, and in 1979-80 cider and apple juice sales volume increased by

23 per cent. In Australian dollar terms trading profit increased by 15 per cent but due to the strength of the pound, this improvement was only 3 per cent in sterling terms.

Charges in the second half year (17 per cent) was less severe than in the first half year during which they had been more than double those of the first half of 1976-77," says Mr. Prior.

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كما في المجلة

There is a certain magic in the air. Like manna from heaven, rights issue money is falling through the streets of the City into the open pockets of a number of small and relatively unknown oil exploration companies," writes Alan Friedman.

In the supercharged atmosphere of the seventh round of North Sea licence applications, the series of small oil group cash calls which began in January is now reaching epidemic proportions. More than £45m has been raised by just eight independents in the past six months and an equal amount may be on call as a result of the formation of a handful of new North Sea exploration companies.

Given the normally cautious attitude of City fund managers, this phenomenon represents a type of financial free-for-all. At the Prudential, Mr. Peter Moody, joint chief investment manager, says both the rights issue business and the entire exploration business are "a bit dicey". But he adds: "If you are going to get into the exploration game, you're in for the seventh round."

### Independent

The Pru has about 12 per cent of its main fund portfolio in oil, most of this in the majors. The value of these holdings approaches £250m, according to

Mr. Moody. But the Pru has played an active part in taking up a number of rights issues and new issues connected with small independent oil explorers.

Says Mr. Moody: "The aim is to try and get enough interests in different blocks so that you'll definitely be in some which are successful."

Merchant banker Singer and Friedlander has piloted four separate money-raising operations in the recent past, including a £4.5m rights issue for Clyde Petroleum. Together with stockbrokers Hoare Govett, it helped Saxon Oil's debut in late May. This is a new North Sea exploration company which quickly placed its 15m shares of £1 each. Only 5p was paid, so the net value stands at 27.50p.

A handful of City institutions were involved in the Saxon enterprise, including the Gartmore and Electra House investment trusts. Organisers of the placing reported that there was no problem attracting investors.

Mr. Panton Corbett of Singer stresses, however, that potential shareholders should receive a warning: "We've taken a good deal of trouble to place these shares with people who understand the risks. At the best of times, drilling holes in

the North Sea is a highly speculative business."

At Electra House, which holds 20 per cent of Saxon, executive director Mr. Michael Stoddart claims the venture fulfils the basic role of the investment trust movement. "If we cannot obtain a licence in the seventh round, we will wind up Saxon and lose 5p in the pound," he says.

### Institutions

This appears to be the general approach of newly created exploration companies. Because the paid-up portion of shares is relatively small, the risk is not so great. But placers seek institutions capable of meeting a call if licences are obtained and development becomes feasible.

The rights issue business is slightly more concrete. The £43.2m called for since January has been reasonably easy to attract. This is partly because of the frothy nature of secondary oil shares: some of the junior oil companies are beginning to acquire quite solid reputations on the Stock Exchange. But other companies are attracting substantial sums even though investors have relatively little to go on.

Candecca Resources is an on-

RIGHTS ISSUES SINCE JANUARY			
Company	Amount	Reason	Date
Coalite	£10.9m	N. Sea consortium	early July
Carless	£9.5m	3 N. Sea consortia, onshore plus refinery investment	mid-June
Candecca	£5.8m	Onshore wells plus N. Sea consortia	mid-June
Clyde Petroleum	£4.5m	N. Sea consortium plus U.S. exploration	late April
Premier	£4.2m	1980 drilling programme plus N. Sea consortia	mid-January
Charterhall	£3.7m	N. Sea consortia	late June
Cliff	£3.2m	Block development, N. Sea consortia	late February
Edinburgh Seas.	£1.4m	N. Sea consortium	mid-March

shore exploration company with a 25 per cent stake in the recently confirmed Humble Grove oil find near the A32 in Hampshire. It has been living largely off a £2.4m cash call it issued in September 1978.

Mr. David Hooker, managing director, says money has been used during the past two years to do extensive onshore research. With about 3m acres of holdings, the company is one of the largest holders of onshore exploration territory in Britain. Last month's £5.8m Candecca

refinery activities and these still make up three quarters of the business.

But a few weeks ago, on the back of more than doubled pre-tax profits, Carless came to the market for £9.5m in rights money, of which half is to be used for onshore and North Sea exploration; the company is now in three consortia run by BNOC and BNOC.

Others are also getting in on the act. In the last two days two more oil explorers have appeared on the scene. Pentland Oil, a company backed by six British institutions, has joined a consortium led by Union Oil. Pentland's authorised share capital is £2m.

In addition, Marinex Petroleum, a 13 per cent partner in the Humble Grove field, has announced plans to seek a listing on the Stock Exchange under Rule 163 (iii). Marinex will concentrate on the growing area of onshore exploration.

### Rationale

Last week, Coalite, the solid fuels and chemicals company, went to the market for almost £1m, a sum it admitted it had no immediate need of. The rationale behind the rights

issue is the need to share in financing a seventh round consortium Coalite has joined (it remains unnamed). Based on the recent success rate of other cash calls, Coalite should have little problem bringing in its total money raised to £7.4m.

Given the highly speculative nature of the oil exploration business and the uncertainties of bidding for a limited number of North Sea blocks, the market's recent love affair with secondary oil shares may be somewhat overdone. Stockbrokers Wood Mackenzie said as much in a recent report which showed a number of such shares to be trading way above a realistic asset value per share.

But Mr. Tony Mackintosh of recent spate of oil rights issues as justifiable "hope money." "The traditional use of rights money is to correct balance sheets, but these companies are raising genuine risk capital and that's what the market is there for."

He adds that the large discounts in some cash calls may reflect company views that some of their shares may be overvalued.

But, notes Mr. Mackintosh, people are "presumably going into these money-raising ventures with their eyes open."

There is nothing wrong with that."

Mr. Rupert Lascelles, finance director of Premier Consolidated, agrees with this view. Premier started 1980 with a £4.2m rights issue to fund its own programme of drilling 26-30 wells this year and to help pay for a 12.5 per cent stake in the Esso consortium. This was the third rights issue for Premier since 1973, raising the total money raised to £7.4m.

Mr. Lascelles comments: "We could either have sold some of our LASMO shares to raise money or do it through the market. We decided it was worth holding on to the LASMO shares."

### Secret

At present there appear to be at least half a dozen private prospectuses circulating around investing institutions. A number of money-raising ventures will remain secret until the conclusion of seventh-round applications. This makes it difficult to gauge the aggregate size of the issues, but most participants agree that beyond the £43.2m rights money an equal amount is being raised among new companies.

It remains a risky business and the caveats to oil exploration seem to outweigh even the heady rewards at times. But there is every reason to suspect that the manna will keep on falling.

## Carless warns of harder year for refinery side

A year of more difficult trading for the refinery division was predicted yesterday by Mr. John Leonard, chairman of Carless Capel and Leonard. He told shareholders at the annual meeting that the current recession is "biting deeper and harder throughout industry in general and the chemical industry in particular."

"In common with other manufacturers, our sales volumes are lower than originally expected," he said. However, Mr. Leonard expec-

ted trading profits to be sufficient to maintain the level of dividend on the enlarged share capital as forecast in the recent rights issue circular.

Although year-end profits would not contain the sizeable stock profits of last year, Carless' earnings will be Carless' earnings will be announced £1.4m surplus realised on the sale of a trade investment in Strata Oil.

Last year Carless more than doubled pre-tax profits to £6.2m against £3.69m in 1979-80.

## Australian Bight project attracts the oil majors

BY STEPHEN THOMPSON

AMERICA'S Occidental Petroleum is to lead a consortium of six companies in a A\$100m (£7m) oil exploration programme in the Great Australian Bight off the South Australian coast.

The other members of the consortium are Outback Oil, Charter Resources Australia, ORC Petroleum International, Marion Corporation and Jetco Oil.

The consortium will carry out seismic surveys and drill at least one well in a 16-month programme starting later this year. They will drill in 30,000 sq km areas adjacent to the one granted recently to BP-BHP.

The consortium will also cover an area of around 30,000 sq km and is located about 250 km south-west of Ceduna in water depths between 200 and 2,000 metres.

The exploration programme, which is expected to take six years, includes the drilling of three wells and will cost around A\$35m.

The Bight is largely unexplored although several companies including BHP have sunk unsuccessful wells in recent years.

Strata Oil reports that the Woodada No. 2 well located about 12 km west of the Woodada No. 1 gas discovery in the Perth Basin of Western Australia is presently drilling ahead at a depth of 1,775 metres. Progress for the week was 1,611 metres.

Woodada No. 2, which was spudded at the end of June, is being drilled to enable further assessment of the production

potential of the original Woodada discovery which flowed at a rate of 32.38m cubic feet of gas a day at a flow pressure of 1,215 psi after being stimulated with a 15 per cent hydrochloric acid solution.

Target depth of Woodada No. 2 is 2,375 metres—the level at which the initial gas flows from Woodada No. 1 were recorded.

Strata says that an extensive testing programme is planned after total depth has been reached. This should be achieved in the next week or so.

Strata has a 26.98 per cent interest in the Woodada project. Hughes and Hughes of Texas control 65 per cent with the remaining 8.05 per cent divided between various companies and individuals.

Negotiations involving a "major U.S. oil company" are being held to finance the possible development of the Alpha oil-shale leases in North Queensland, reports James Ford from Sydney.

The talks were revealed at a meeting called to transfer the Alpha leases to Greenvale Mining and Esperance Minerals to Alpha Resources (until recently known as Craigmoor Wines).

Greenvale and Esperance maintain effective control through a 72 per cent shareholding in Alpha Resources.

Mr. Leslie White, joint chairman of Greenvale and Esperance, said that the talks were being held with the U.S. oil company and that a parcel of 100 tonnes of Alpha oil-shale had been flown to America for test

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## 'FULL AHEAD' FOR IRISH SHIPPING

### RESULTS

- Record pre-tax profit of £3.5 millions
- Up 16 p.c. on last year
- 13th consecutive year of profit
- Turnover: up 30 p.c.
- Loans and lease obligations: down 23 p.c.
- Reserves up 23 p.c.
- 70 cadets in training under scholarship scheme
- Some points from the Annual Report for 1979 of Irish Shipping, a State-owned company.

### OUTLOOK

Our long-term objective is to expand the Irish deep-sea fleet. That expansion must be commercially justified. "I think the time may soon be coming when it will be possible to ring 'full ahead' ..." Mr. Perry Greer, Chairman.

**IRISH SHIPPING LIMITED**  
Merton Hall, Strand Road, Dublin 4.

## BIDS AND DEALS

# RHP pays £3.1m in shares and cash for Technograph

IN A move aimed at strengthening and extending the activities of its electrical division, Ransome Hoffmann Pollard is paying £3.1m in shares and cash for Technograph, a manufacturer of printed and woven circuits and electric servo motors.

The acquisition of 98.325 per cent of Technograph's issued capital will be satisfied by £296,434 cash and the issue of 2,949,840 fully paid Ransome shares, all of which have been placed. Ransome has agreed to acquire the outstanding shares on the same terms up to September 1, 1980.

Technograph, which has factories at Bracknell, Berkshire, and Bordon, Hampshire, turned in pre-tax profits of £780,000 from £4.67m turnover in 1979. This year's profits are expected to be somewhat lower. Net tangible assets at December 31, 1979 were £10.04m.

Ransome's group chief executive, Mr. Peter Holmes, will join the board of Technograph, which will continue to operate as a separate company.

The new shares will rank pari passu in all respects with Ransome's existing shares. Application has been made to the Council of the Stock Exchange for their admission to the official list.

### SERCK/ROCKWELL NO PROBE

The acquisition by Rockwell International Corporation of a substantial minority shareholding in Serck, is not to be referred to the Monopolies Commission. An offer by a Rockwell subsidiary to acquire Serck lapsed in April.

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends, financial statements and, as available, as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**  
Interims—General Funds Investment Trust, Imperial Group, Jamesons Chocolates, Sotheby Parke-Bernet, Trust Investment Trust, Watson and Philip.

Finals—Braithwaite Engineers, De-

jan Holdings, Philip Morris, Howden Group, Kinta Kellie, Rubber Estates, Mitchell Somers, Oil and Associated Investment Trust, Retners (Jewellers), Alexander Russell, United Gas Industries.

### FUTURE DATES

Interims—Carding Investment Trust, Mayfair (Gardiners) (London), Schindler International Fund (Jersey), Scott (David), Final—Industrial, Christie-Tyler, Wallman Engineering.

## Yule Catto depressed 9% by strength of sterling

BY ALAN FRIEDMAN

INTERIM profits from Yule Catto, the industrial and commercial group, fell 9 per cent from £1.31m to £1.19m in the period to April 26. The company, which released this information in its formal offer for Revertex Chemicals, says that the pre-tax deficit is due to the appreciation of sterling against the Malaysian dollar.

Turnover at Yule Catto increased from £5.52m to £5.25m in the six-month period. The Board of Yule Catto has decided to maintain the interim dividend at 8.5p net. Earnings per share meanwhile, were lower at 2.32p against 2.72p.

In his letter to Revertex shareholders, Lord Catto states that the possibility of a merger between the two groups has been considered by the boards of both companies on a number of occasions; for various reasons the previous negotiations have been fruitful.

The current takeover bid stems from Yule's "down raid" on Revertex shares on April 25 when it acquired 29.5 per cent of the company. This was followed on June 25 by an announcement of Yule's intention to make an offer for all Revertex shares, a move which Revertex has resisted.

The offer values Revertex shares at around 50p and involves the 10,032,714 ordinary shares not already owned by Yule Catto. For every 50 ordinary shares of 25p in Revertex, Yule is offering nine new ordinary shares of 10p each in Yule Catto credited as fully paid plus 15 new 11½ per cent cumulative redeemable preference shares 1998-2003 of £1 each in Yule Catto.

According to Lord Catto, the offer improves the income of Revertex shareholders by 22.6 per cent. The offer also contains a cash alternative of 40p per ordinary share, but this is conditional upon the offer becoming unconditional.

In a separate letter from the chairman to shareholders of Yule Catto, shareholders are advised to vote in favour of a resolution which must be passed if, inter alia, Yule Catto's offer for Revertex is to become or be declared unconditional.

This letter also recommends

that shareholders simultaneously approve increasing authorised share capital from £5m to £6m by the creation of 3.5m 11½ per cent preference shares of £1 each and by the creation of 5m additional ordinary shares of 10p each.

Lord Catto mentions in particular the condition relating to a joint holding by Revertex and Hoechst, the German chemical company, in Harlow Chemical. Revertex has an agreement with Hoechst that allows the latter to acquire, on a change of control of Revertex, the 50 per cent of Harlow-owned by Revertex. If no agreement can be reached between Yule Catto and Hoechst over Harlow, Lord Catto tells shareholders that the bidder may waive the condition related to this holding.

Revertex, if no agreement

can be reached between Yule Catto and Hoechst over Harlow, Lord Catto tells shareholders that the bidder may waive the condition related to this holding.

### Slater buys Tebbitt shares

Mr. Jim Slater has bought 500,000 shares, 3.2 per cent of those issued, of Tebbitt Group, the company that is being transformed into a property investment group by its new chairman, Mr. John Bentley.

Also, the Slater Foundation has bought 200,000 Tebbitt shares, 1.3 per cent of those issued.

Henry Street Investments, one

of the vendors of Signate Properties to Tebbitt, has sold the 882,359 Tebbitt shares it received in part consideration of Henry Street, an subsidiary of Strongarm, an investment holding company controlled by Mr. Slater.

The other Signate vendor is Mr. C. T. Bray, a former employee of Sister Walker Securities. Mr. Bray remains managing director of Signate.

London Trust has acquired 900,000 shares (5.8 per cent) of Tebbitt.

### POLLY PECK

The terms of the Polly Peck (Holdings) rights issue were reported incorrectly in yesterday's editions. Shareholders are being offered two new shares at 75p a share for every five held.

This letter also recommends

that shareholders simultaneously approve increasing authorised share capital from £5m to £6m by the creation of 3.5m 11½ per cent preference shares of £1 each and by the creation of 5m additional ordinary shares of 10p each.

On prospects the directors of NIL say that they are confident that the group's national newspapers will retain their position in the market, although the UK economic climate may become more unfavourable in the short term. The full benefit of cover price increases will be felt in the second half, but costs are expected to rise particularly of newsprint.

Provincial newspapers may be affected by cost increases in the near future, but their long-term prospects are regarded as good. Provided there is no material amount of labour unrest the directors expect the group results for the current to be satisfactory. For 1979 pre-tax profits amounted to £27.9m.

The directors of NCL point out that the profits for 1980-81 will benefit from the group's increased interest in Channel 10 Sydney and Ansett. They are confident that prospects for

## MINING NEWS

# Development to resume at Oaky Creek coal project

BY GEORGE MILLING-STANLEY

THE PARTNERS in Australia's Oaky Creek coking coal project expect full-scale development of the mine to begin in January, following the signing of export contracts with Italian, Spanish and Dutch steel producers. The contracts, for a total of 1.7m tonnes of coal per year, are worth A\$1.15m (£561m) over the next 15 years, reports James Firth in Sydney.

In return for commitments to buy Oaky Creek's coal, the European concerns, Finsider, Ital sider, Empres Nacional Siderurgica (Ensisdesa) of Spain and Hoogovens of the Netherlands, will receive equity stakes in the Central Queensland mine.

Hoogovens takes a 9.5 per cent stake in return for a commitment to purchase 500,000 tonnes per year alone with construction work in the absence of purchase commitments for the mine's output

for a similar commitment, and when the only local port, the shipping coal and hotel group, R. W. Miller, pulled out of the venture in January 1979.

The one remaining problem is the attitude of the Australian Government, which earlier this year rejected a proposed partnership for the Cominco-Ridgedale Australia group's Blair Athol steaming coal venture on the grounds that it did not meet the requirement of a 50 per cent equity participation.

Development is already well advanced, with the first dragline complete and a second due for completion in December. More than A\$80m has already been spent on the project.

The latest agreements should help to dispel the scepticism which has surrounded Oaky Creek for almost two years. Houston Oil and Minerals pushed on alone with construction work in the absence of purchase commitments for the mine's output.

## Go-ahead for Arctic mine

CONSTRUCTION is now under way at the most northerly mine in the world, Cominco's Polaric lead-zinc operation on Little Cornwallis Island in the Canadian High Arctic. The mine, just 90 miles from the North Pole, is expected to come into production early in 1982, reports Robert Gibbons in Montreal.

The start of full-scale construction work at Polaric this summer has been made possible by the resolution of several local problems, mainly environmental in character.

The key to the mine's potential lies in the high grades of its estimated 23m tonnes of ore, which contain an average of 14.1 per cent zinc and 4.3 per cent lead. It will rank as the eleventh largest producer of lead and zinc in the world.

Bechtel Canada, the local arm of the major San Francisco construction group Bechtel, is project manager for the C\$150m (£55m) mine, and is drawing on the experience it gained 10 years ago in building the Marmalik lead-zinc mine at the south-western tip of Greenland.

For the Marmalik project, much of the processing equipment was assembled further south and shipped to Greenland during the summer shipping season, which is just a matter of weeks long. A much more sophisticated system will be used for Polaric.

This involves the construction of a 40 ft by 100 ft by 60 ft barge now being completed at a cost of C\$5m in Quebec City. In mid-August this will be towed further up the St. Lawrence, where it will be docked.

During the autumn and winter, the concentrator and other processing and support equipment will be built on to the barge, and next summer it will be towed some 3,000 miles to Little Cornwallis Island, where it will be sunk on to a prepared base.

Crushed ore from the nearby mine will move automatically into the plant, and the mine's

produced 1.886 tonnes over the past year against 2,291 in the previous 12 months. Southern Malayan 2,107 tonnes in the same time compared with 2,000 tonnes in 1978-79.

Latest outputs are detailed in the accompanying table.

## Inco sees a sharp downturn

THE accelerating economic recession has caught up with Cominco's Inco. The world's leading producer of nickel now expects earnings for the second quarter of this year to be less than half of those for the previous three, which reached a record US\$37.5m (£41m), or £1.25 per share.

Inco also expects the downturn to persist in the second half of this year. The group, which is also a major producer of copper and platinum group metals, points out that lower nickel and copper sales together with reduced copper prices and currency exchange losses have accounted for the major part of the second quarter decline.

The latest forecast is made in Inco's registration statement filed with the U.S. Securities and Exchange Commission with respect to a proposed public offering in the U.S. of \$100m debentures due 2010. The proceeds of the issue will be used mainly to reduce short-term debt and other general corporate requirements.

News of the Inco offering comes hard on the heels of a similar issue proposed by America's Amax, natural resources giant. The latter is to offer \$100m 10-year notes and, here again, the proceeds of the issue will be used to reduce bank borrowings. The Amax issue is expected later this month when the terms will be announced.

## EUROPEAN OPTIONS EXCHANGE

Series	July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.300	2	1.50	—	—	—	—
AKZ C	F.32.50	2	—	—	57	2.50	F.25.00
AKZ C	F.25	—	10	0.40	21	1.20	—
AKZ C	F.27.50	—	—	—	—	—	—
AKZ C	F.25	5	0.40	10	50	—	—
AKZ P	F.25	2.20	10	—	—	—	—
FNCC	S20	11	34	—	—	—	—
HEI C	F.55	—	6	—	6	—	—
HEI C	F.55	—	—	—	2.70	—	F.52.00
HEI C	F.55	2	0.50	50	57	—	—
IBM C	S60	—	—	—	—	—	—
IBM C	S75	—	4	4.10	25	6.50	F.85.00
KLN C	F.70	34	—	—	16	—	—
KLN P	F.60	52	—	—	37	3.70	—
KLN P	F.70	109	0.60	111	4	5.70	—
KLN P	F.70	21	6.50	—	50	9.50	—
HAT C	F.100	5	12	—	—	—	—
HAT C	F.100	—	—	—	5	—	F.111.00
HAT C	F.109.10	4	2.90	—	5.50	—	—
NN O	F.120	—	—	—	1.40	—	—
PET C	Fr.5000	5	0.70	41	120	—	F.407.00
PH C	F.150	50	—	—	10	—	F.18.00
RD C	F.150	52	—	—	7	—	—
RD C	F.170	109	0.60	111	4	10.70	F.16.00
RD P	F.150	—	—	—	56	—	—
RD P	F.150	13	—	—	12	—	—
RD P	F.170	11	3.80	—	30	—	

## INTERNATIONAL CAPITAL MARKETS

## Greek borrower raises \$125m on better terms

By FRANCIS GHILES

**THE** Public Power Corporation of Greece is raising a loan of \$125m for eight years on a spread over the London interbank rate of 1 per cent through one of its lead managers of this loan are Chase Manhattan Limited and Nippon Credit Bank.

The management fee is believed to be "reasonable," that is, no less than 1 per cent. Such conditions mark an improvement in the terms on which Greek borrowers can raise loans from the market.

Only two months ago, Greece's National Bank arranged a \$45m loan which carried a spread of 3 per cent but only for five years.

Greek borrowers present two major attractions to international banks. First is the fact that the country has borrowed relatively little by international standards. Last year, Greek borrowers raised \$61bn worth of loans in the international capital markets. So far this year, they have raised \$85bn.

The second attraction lies in the growing distinction banks are making between prime and second class (usually less developed country) borrowers.

While most less developed countries are having to accept much stiffer terms for their loans than six months ago, most industrial countries, and a handful of LDC countries such as

Mexico, are able to raise funds on even finer spreads.

Another example of this growing gap is the good reception afforded to the latest \$500m year-jumbo which Credit Lyonnais is arranging for Electricité de France. The borrower is paying the finest spread seen in this market for many years: 0.35 per cent for the first five years rising to 0.45 per cent for the remainder. A decision on whether or not to increase the size of this loan is expected from the lead manager before the end of this week.

Banks involved in discussions about the loan for Poland meet later today in London.

## \$70m fixed rate EEC bond

By OUR EUROMARKETS STAFF

A \$70m fixed interest rate 15-year Eurobond is being arranged for the European Economic Community through Société Générale. The borrower is paying a coupon of 11 per cent for the bonds which will be priced at par.

This bond is a "bought deal," which means that the lead manager cannot change the terms during the offering period. Less than two months ago the EEC arranged an 11 per cent bond to 1995 which was trading at 96.5, offered yesterday. At this level it yields 11.45 per cent. Initial reaction to the new EEC issue was that the terms were surprisingly out of line with the market.

The secondary market in fixed interest dollar Eurobonds was extremely quiet yesterday ahead of the U.S. Federal Reserve Open Market Committee meeting. Prices edged forward by 1 per cent.

A \$30m floating rate note for

the Philippine National Bank was postponed as the borrower wishes to take advantage of the recent fall in the London interbank rate to arrange a \$100m medium-term loan instead. Bids for this loan are all in and a decision is awaited from Manila this week.

The FRN issue was to have been brought to the market by Chemical Bank and Salomon Brothers and was expected to have a coupon of 1 per cent over Libor for eight years.

Prices again slightly improved in the D-Mark sector where dealers reported a greater volume of trading.

The weakening dollar is helping the Swiss franc sector where prices moved up by 1 per cent for the second day in succession.

Two public issues and two private placements have been completed in this sector. The Republic of Argentina has arranged a SwFr 80m issue of 104 per cent.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on July 9

U.S. DOLLAR	Change on	Bid	Offer	day	week	Yield
Aigos of Australia 10 '89	50	50	50	100	115	11.16
Bank Oxygen F. 10 '90	50	50	50	0	0	11.57
CECA Group 12 '85	100	100	100	100	100	11.33
CECA 17% '88	100	100	100	100	100	11.24
Chicor O/S Fin. 10 '86	300	300	300	0	0	10.70
Continental Grp. 9% '86	100	100	100	100	100	11.33
Cor. Illinois 9% '86	150	150	150	150	150	10.85
Dermar 11% 9% '86	100	100	100	100	100	12.78
ESG 11% '85	75	75	75	0	0	11.28
EIB 11% '92	80	80	80	0	0	11.80
EIB 13% '90	100	100	100	0	0	12.68
Exports Ind. 14% '87	50	50	50	50	50	10.54
Expo. de France 10 '86	125	125	125	0	0	10.57
Export Dev. Cpn. 9% '84	90	90	90	0	0	10.58
Export Dev. Cpn. 12% '87	100	100	100	0	0	11.16
Expor. Dev. Cpn. 9% '86	90	90	90	0	0	11.16
Feder. Ex. Cred. 10% '85	50	50	50	0	0	10.77
Finnland 9% '86	100	100	100	0	0	11.04
Fond O/S Fin. 12% '85	200	200	200	0	0	10.80
George Weston 12% '87	300	300	300	0	0	10.75
GMAC 9% '86	100	100	100	0	0	10.85
GMAC 11% '84	100	100	100	0	0	10.75
Goodys 9% '87	75	75	75	0	0	12.57
Hudson's Bay 11% '86	75	75	75	0	0	11.57
Ind. Canada 10% '85	75	75	75	0	0	10.58
Ind. Canada 10% '86	75	75	75	0	0	11.25
Ind. Canada 12% '85	75	75	75	0	0	11.25
Ind. Canada 12% '86	75	75	75	0	0	11.25
Ind. Canada 13% '85	75	75	75	0	0	11.25
Ind. Canada 13% '86	75	75	75	0	0	11.25
Ind. Canada 14% '85	75	75	75	0	0	11.25
Ind. Canada 14% '86	75	75	75	0	0	11.25
Ind. Canada 15% '85	75	75	75	0	0	11.25
Ind. Canada 15% '86	75	75	75	0	0	11.25
Ind. Canada 16% '85	75	75	75	0	0	11.25
Ind. Canada 16% '86	75	75	75	0	0	11.25
Ind. Canada 17% '85	75	75	75	0	0	11.25
Ind. Canada 17% '86	75	75	75	0	0	11.25
Ind. Canada 18% '85	75	75	75	0	0	11.25
Ind. Canada 18% '86	75	75	75	0	0	11.25
Ind. Canada 19% '85	75	75	75	0	0	11.25
Ind. Canada 19% '86	75	75	75	0	0	11.25
Ind. Canada 20% '85	75	75	75	0	0	11.25
Ind. Canada 20% '86	75	75	75	0	0	11.25
Ind. Canada 21% '85	75	75	75	0	0	11.25
Ind. Canada 21% '86	75	75	75	0	0	11.25
Ind. Canada 22% '85	75	75	75	0	0	11.25
Ind. Canada 22% '86	75	75	75	0	0	11.25
Ind. Canada 23% '85	75	75	75	0	0	11.25
Ind. Canada 23% '86	75	75	75	0	0	11.25
Ind. Canada 24% '85	75	75	75	0	0	11.25
Ind. Canada 24% '86	75	75	75	0	0	11.25
Ind. Canada 25% '85	75	75	75	0	0	11.25
Ind. Canada 25% '86	75	75	75	0	0	11.25
Ind. Canada 26% '85	75	75	75	0	0	11.25
Ind. Canada 26% '86	75	75	75	0	0	11.25
Ind. Canada 27% '85	75	75	75	0	0	11.25
Ind. Canada 27% '86	75	75	75	0	0	11.25
Ind. Canada 28% '85	75	75	75	0	0	11.25
Ind. Canada 28% '86	75	75	75	0	0	11.25
Ind. Canada 29% '85	75	75	75	0	0	11.25
Ind. Canada 29% '86	75	75	75	0	0	11.25
Ind. Canada 30% '85	75	75	75	0	0	11.25
Ind. Canada 30% '86	75	75	75	0	0	11.25
Ind. Canada 31% '85	75	75	75	0	0	11.25
Ind. Canada 31% '86	75	75	75	0	0	11.25
Ind. Canada 32% '85	75	75	75	0	0	11.25
Ind. Canada 32% '86	75	75	75	0	0	11.25
Ind. Canada 33% '85	75	75	75	0	0	11.25
Ind. Canada 33% '86	75	75	75	0	0	11.25
Ind. Canada 34% '85	75	75	75	0	0	11.25
Ind. Canada 34% '86	75	75	75	0	0	11.25
Ind. Canada 35% '85	75	75	75	0	0	11.25
Ind. Canada 35% '86	75	75	75	0	0	11.25
Ind. Canada 36% '85	75	75	75	0	0	11.25
Ind. Canada 36% '86	75	75	75	0	0	11.25
Ind. Canada 37% '85	75	75	75	0	0	11.25
Ind. Canada 37% '86	75	75	75	0	0	11.25
Ind. Canada 38% '85	75	75	75	0	0	11.25
Ind. Canada 38% '86	75	75	75	0	0	11.25
Ind. Canada 39% '85	75	75	75	0	0	11.25
Ind. Canada 39% '86	75	75	75	0	0	11.25
Ind. Canada 40% '85	75	75	75	0	0	11.25
Ind. Canada 40% '86	75	75	75	0	0	11.25
Ind. Canada 41% '85	75	75	75	0	0	11.25
Ind. Canada 41% '86	75	75	75	0	0	11.25
Ind. Canada 42% '85	75	75	75	0	0	11.25
Ind. Canada 42% '86	75	75	75	0	0	11.25
Ind. Canada 43% '85	75	75	75	0	0	11.25
Ind. Canada 43% '86	75	75	75	0	0	11.25
Ind. Canada 44% '85	75	75</td				

This announcement appears as a matter of record only.

June 1980

## Companies and Markets

**COPEC**

COMPANIA DE PETROLEOS DE CHILE S.A.

US \$15,000,000

Seven Year Loan

Arranged by  
Arab Latin American Bank  
-ARLABANK-Provided by  
Arab Latin American Bank  
-ARLABANK-

Banco de Chile

Credit Suisse

European Arab Bank Group

The Royal Bank of Canada (Overseas) N.V.

Agent  
Arab Latin American Bank  
-ARLABANK-

All of these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

June 30, 1980

**SPERRY**

\$200,000,000

**SPERRY CORPORATION**

10 1/2% NOTES DUE 1987

Blyth Eastman Paine Webber  
Incorporated

The First Boston Corporation

Goldman, Sachs &amp; Co.

Merrill Lynch White Weld Capital Markets Group  
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bear, Stearns &amp; Co.

Dillon, Read &amp; Co. Inc.

Drexel Burnham Lambert  
Incorporated

E. F. Hutton &amp; Company Inc.

L. F. Rothschild, Unterberg, Towbin

Shearson Loeb Rhoades Inc.

Warburg Paribas Becker  
A. G. Becker

Wertheim &amp; Co., Inc.

Lehman Brothers Kuhn Loeb  
IncorporatedSmith Barney, Harris Upham & Co.  
IncorporatedDonaldson, Lufkin & Jenrette  
Securities CorporationKidder, Peabody & Co.  
Incorporated

UBS Securities Inc.

Atlantic Capital  
Corporation**International Basic Economy Corporation**

and a wholly-owned subsidiary of

**Booker McConnell Limited**

have merged to form

**IBEC Inc.**

a company engaged in international agribusiness

The undersigned acted as financial advisor to  
International Basic Economy Corporation in this transaction.**Lehman Brothers Kuhn Loeb**  
IncorporatedNEW YORK • ATLANTA • BOSTON • CHICAGO • DALLAS  
HOUSTON • LOS ANGELES • SAN FRANCISCO • LONDON • TOKYO

July 2, 1980

**Volvo Car moves to boost Dutch sales**By Charles Batchelor  
in Amsterdam**VOLVO CAR**, the Dutch subsidiary of the Swedish vehicle group, has cut the sales price of its 340 series by about 10 per cent in the Netherlands to stimulate sales. The company has decided on this move after a 10 per cent downwards revision of its sales forecast for the entire Dutch car market this year.

Volvo Car expects the total market will be only 475,000 cars in 1980, 50,000 fewer than its original estimate. The medium-sized car range, to which the 340 belongs, has been particularly badly hit, it said.

Volvo's market share has remained an unchanged 2 per cent but the overall decline in sales has led to an absolute fall in the number of 340s sold. The price of the basic manual three-door model, the 343 Luxe, has been cut by 10 per cent to Fl 15,750 (£3,479) while at the top of the range, the price of the 345 GL, the five-door automatic version, has been cut by 12 per cent to Fl 20,530.

Volvo earlier announced it would cut production levels of its plant at Born by 10,000 cars this year to 82,500. The 340 will account for 74,000 of these and the smaller 66 model for 8,500.

**INTL. COMPANIES & FINANCE**Sue Cameron reports on Rhone-Poulenc's withdrawal  
from heavy chemicals**Captive oil divides the industry**

THE DEAL between Rhone-Poulenc, Elf Aquitaine and British Petroleum highlights that Europe's major chemical companies are now divided into two camps—those with their own oil and those without.

Rhone-Poulenc does not have secure access to oil and gas for use as petrochemical feedstocks. Over the past five or six years it has been pulling out of the heavy, often volatile, commodity chemicals end of the business and concentrating increasingly on more specialised, high value products. Other big European groups are following a similar policy.

Elf Aquitaine and BP, on the other hand, are both oil companies with chemical subsidiaries and both are anxious to upgrade their crude and find secure outlets for their refined products—notably naphtha, Europe's most important petrochemical raw material.

There is considerable agreement within the chemical industry that petrochemicals will increasingly become the preserve of those companies which have oil interests, either in their own right or through their parents.

Ironically, the projected Rhone-Poulenc deal comes at a time when the outlook for base chemicals in Europe is looking

decidedly bleak. Last year, when dramatic increases in naphtha prices followed the Iranian revolution and the subsequent world oil crisis, petrochemical producers were able to raise their product prices for the first time in years. Most of them were able to declare the best profits on base chemicals since 1945.

But after the brief feast has come famine. The recession is now starting to bite, naphtha prices are falling and product prices are dropping in their wake. Demand has slumped—sometimes by as much as 40 per cent.

Rhone-Poulenc's base chemicals accounted for nearly 39 per cent of its total sales of FF 33.78bn last year. It has a 57.2 per cent share in Naphtachimie, with BP holding the other 43.8 per cent. Despite the good performance of base chemicals generally last year, Naphtachimie achieved only a FF 1.35m profit on a turnover of FF 7.53bn.

Naphtachimie is now to be reorganised so that BP has a 50 per cent share for which it will pay FF 100m. The company also forms part of the deal between Rhone-Poulenc and Elf. A new company is to be set up in which Elf will have an 80 per cent interest and Rhone-Poulenc a little less than 20 per cent.

Rhone-Poulenc's 50 per cent share in Naphtachimie will be given to the new, as yet unnamed, company.

The Naphtachimie chemicals complex is sited some 20 km outside Marseilles, close to BP's French refinery. The Naphtachimie plants make a wide range of basic chemicals including styrene—the so-called building-block of the chemical industry. The site has the capacity to produce 620,000 tonnes a year of ethylene, plus 380,000 tonnes of propylene, 100,000 tonnes of butadiene, 200,000 tonnes of ethylene oxide, 100,000 tonnes of high density polyethylene, 50,000 tonnes of polypropylene, and 150,000 tonnes of ethylene glycol.

These chemicals are used in the making of a wide range of products from synthetic rubber and plastic goods to adhesives and industrial solvents.

BP's part of the deal is comparatively minor and seems merely to be designed to ensure that the group maintains control of the Naphtachimie operation. BP Chemicals itself is still swallowing the huge acquisitions it made in 1978 when it spent £220m (£522m) buying Union Carbide's European chemical

operation and further £20m on Monsanto's European poly-styrene interests.

The most important part of the Rhone-Poulenc project is the sale of the company's chlorine and plastics interests to Elf Aquitaine. These will come under the aegis of the new company.

The divestment of its polymers and chlorine business comes three quarters of the way through Rhone-Poulenc's drastic rationalisation of its loss-making fibres and textiles business.

The group is now placing far more emphasis on such business areas as agrochemicals and pharmaceuticals. The policy of concentrating on high value specialty products has been put into operation by M. Jean Gandois, the chairman and chief executive of Rhone-Poulenc. It seems to be having some success—after several years of poor results, the group's profits rose from FF 1.35bn in 1978 to FF 7.53bn (£199m) last year.

Whether Elf will gain as much from the purchase of Rhone-Poulenc's base chemical areas as Rhone-Poulenc will from the sale of them remains to be seen. Elf is certain to find the market for petrochemicals far from happy.

**Siemens returns to growth path**

BY KEVIN DONE IN FRANKFURT

SIEMENS of West Germany, the world's fifth largest electrical and electronics group, has returned to a path of strong growth over the last eight months, having overcome setbacks, particularly those in power station construction caused by the Iranian revolution and the dearth of domestic orders.

The expansion of group turnover by 14 per cent in the eight months to May to DM 19.5bn and the rapid growth of new orders by 20 per cent to DM 23.6bn has surprised even the company's more optimistic planners.

The pattern of Siemens' growth is heavily marked by the performance of its power station building subsidiary, Kraftwerk Union. The DM 1.5bn order secured earlier this year for the construction of the Atucha 2 nuclear power station in Argentina helped disproportionately to boost the total of new work booked in the eight months.

Without KWU, Siemens' 27 per cent growth in new orders from abroad is reduced to 12 per cent, the same rate of growth as that achieved in the home market.

There has been a slowing down of new work taken in recent weeks, but with group order books standing at DM 43.2bn at the end of May, there is a large backlog of work to guarantee a steady sales increase in coming month.

Any weakening in domestic economic activity traditionally hits the electrical and electronics industry later than most other sectors and Siemens' price increases to an average of only 2 per cent, some areas of computer production were operating at a loss and productivity gains were not sufficient to offset increasing costs.

Talks between Siemens and Grundig, the leading West German producer of televisions, radios and stereos, were still being intensively pursued, said Dr. Plettner, with a primary aim of ensuring Siemens' role as a components supplier.

A Siemens takeover of Grundig at some stage is still possible, however.

**Pessimistic outlook at Flick**

By Roger Boyes in Bonn

THE FLICK industrial group, one of West Germany's largest family businesses, has begun the 1980s in a rather muted spirit. The concern has a profitable base in an important share in several markets, but most of its subsidiaries are beaten by soaring costs and depressed demand.

Dr. Friedrich Karl Flick, the group chairman, said yesterday that he was satisfied on the whole with Flick's performance last year. Sales of the consolidated companies rose by 14.6 per cent to DM 8.7bn (£4.9bn) during 1979 and net profits improved from DM 73m to DM 52m to DM 594m.

In the first half of 1980, meanwhile, sales of about DM 4.3bn of about 1 per cent more than in the first six months of 1979. This low growth rate partly reflected a decline in defence business and if that sector is excluded, sales increased by 11 per cent. But said Dr. Flick, "according to the sales plans of our companies, including the defence business, it might be possible that we will not achieve a sales increase in 1980 at all." He was "even more conservative about prospective earnings."

Nonetheless, Flick is not confronted with unique problems. And an analysis of its constituent companies points up some.

• The Buderus group pushed up sales by 14 per cent to DM 4.3bn in 1978 thanks partly to demand for heating equipment, household appliances and galleys for aeroplanes. The defence specialist, Krauss-Maffei, a member of the Buderus group, boosted sales to DM 2bn. But much of Buderus's continuing success depends on the construction and motor industries, both of which are cooling off. At the same time Krauss-Maffei's military sales, which have always fluctuated dramatically, are down.

• Dynamit Nobel, the chemicals, plastics and explosives concern, saw sales rise by 21 per cent to DM 2.5bn last year and by 11 per cent in the first half of 1980. The plastics division is profiting from high capital spending in Germany, but the chemicals and fibre raw materials sales saw lower growth.

• Feldmühle, the paper manufacturer, saw sales last year rise by 8 per cent to DM 2.5bn and sales also increased by 8 per cent in the first six months of this year.

Some of the most profitable of Flick's interests are two U.S. affiliates, W. R. Grace, the chemical and fertiliser producer in which Flick has a 26.6 per cent stake, and U.S. Filter Corporation, an energy engineering concern, in which the German company has a 31.5 per cent share.

**Esselte to push for expansion**

BY WESTERLY CHRISTNER IN STOCKHOLM

ESSELTE, the Swedish office supply, graphics and packaging group, can once again go on the offensive after a year of consolidation in 1978-79. Mr. Sven Wallgren, the managing director, says in the company's annual report.

Esselte reported pre-tax earnings of SKr 305m (£73.5m) in the year to March 31, ahead by SKr 74m and surpassing its earlier forecasts. Consolidated sales amounted to SKr 4.1bn (£897m), up by 19 per cent.

The reorganisation of the company was completed at the beginning of 1980 when Esselte opened its London group headquarters. This man-

ages the business systems group, which embraces the dominating part of Esselte's international operations, adding that "this branch has, in the last decade, been marked by overcapacity and weak growth. Development of productivity has long been below the average for industry and profitability has, as a whole, been low."

For 1980-81 group sales are expected to reach around SKr 4.7bn, an increase of 15 per cent. There are too many uncertain factors to make a precise profit forecast for the year, but the result should be "further improved" and the return on capital remain good.

Market shares for the Business Systems products were "still modest in most countries and the growth potential is thus

substantial," Mr. Wallgren says.

Mr. Wallgren defines the group's main problem area as its graphic industry operations, adding that "this branch has, in the last decade, been marked by overcapacity and weak growth. Development of productivity has long been below the average for industry and profitability has, as a whole, been low."

Business systems is the largest operating unit within the Esselte group, accounting for sales of SKr 2.4bn in 1979.

Development of productivity has long been below the average for industry and profitability has, as a whole, been low."

For 1980-81 group sales are expected to reach around SKr 4.7bn, an increase of 15 per cent. There are too many uncertain factors to make a precise profit forecast for the year, but the result should be "further improved" and the return on capital remain good.

The company also benefited from "relatively cheap" Saudi Arabian oil accounting for 25 per cent of its total crude supplies. Esselte has been able to raise sales of higher-earning light petroleum products at the expense of heavy products.

plant. It invested DM 233m in 1979.

Describing last year's result as satisfactory, Mobil AG said the crude oil shortage caused in West Germany by the Iranian crisis led to higher prices and improved profit margins. Supplied from the parent company, allowed Mobil AG to avoid purchases on the "expensive" spot market.

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The company also benefited

# Amatil increases dividend despite pre-tax profit fall

BY JAMES NORTH IN SYDNEY

AMATIL, THE food, packaging and cigarette group in which the UK arms, BAT Industries holds almost 40 per cent, has lifted its dividend despite lower pre-tax earnings in the April half-year. The directors forecast that pre-tax profits for the full year will be higher than in 1979/80, but that with the removal of the trading stock investment adjustment a cut in investment allowance would prevent this being reflected in the after-tax earnings.

The interim dividend is increased to 10 cents a share from 9 cents. A sharp reduction in the tax bill for the April half, from A\$12.5m to A\$6.5m, enable the group to report a fractional increase in net profit for the six months of 0.6 per cent to A\$15.26m (US\$17.7m), from A\$15.19m in the same period of 1979/80.

The lower tax bill in the first half was influenced by tax losses in the frozen vegetables

division. The directors said that the tobacco division improved and the soft drinks division overcame strong price competition and a lack of industry growth to turn in a "highly satisfactory" result.

The snack foods division also overcame early difficulties in the form of industrial problems, and a cost squeeze to maintain its "excellent results."

Turnover fell by 4.9 per cent to A\$52.40m (US\$63.9m), from A\$570.60m.

# Hume Far East restructures

BY GEORGE LEE IN SINGAPORE

HUME INDUSTRIES (Far East), a member of the Hume group of Australia, plans a major restructuring of its operations in Singapore and Bumiputra (Indigenous) interests in Malaysia. Under the plans, which have already been approved by the Malaysian authorities, Hume Industries (Far East) will transfer its shareholding in its wholly-owned Singapore subsidiary, Hume Industries Singapore (HIS), to its Malaysian subsidiary, Hume Industries (HIM).

Hume Industries (Malaysia) will issue 14.43m new shares of 5 ringgit par value each to Hume Industries (Far East) for the acquisition of the 20m shares in HIS. The share swap will be based on a value of 1.53 ringgit per share for HIM and \$8.10 per share of HIS.

At the same time, HIM has proposed a rights issue of one share for every two held at an issue price of 1.30 ringgit per share. The shares issued to Hume Industries (Far East) under the share swap scheme will not qualify for the rights issue, which will raise some 22.5m ringgit (US\$10.5m) for HIM to finance its expansion plans.

On completion of the scheme and rights issue, Hume Industries (Far East)'s stake in HIM will rise from 62.7 per cent to 70.8 per cent. However, Hume

Hume is largely involved in the manufacture of building materials in Singapore and Malaysia.

It is thought likely here that Hume will eventually replace the manufacture of traditional building products in Singapore with higher value added manufacturing activities, in line with the Singapore Government's economic policy.

# Israeli builder advances

BY L. DANIEL IN TEL AVIV

SOLEL BONED, Israel's largest construction company, which is controlled by the Labour Federation but also traded on the Tel Aviv Stock Exchange, reports that it has booked \$375m worth of work abroad in 1979, representing an increase of 3 per cent in real terms from 1978.

Operations outside Israel accounted for 41 per cent of the overall activity of Solel Boneh and its dozens of wholly or partly-owned subsidiaries. The balance sheet total for the group reached I\$22.6bn in 1979, to show an increase of 108 per cent.

Despite higher financing costs, gross profit last year rose to I\$3.5bn (\$70m), or 18 per cent

of income, as compared with 16 per cent in 1978. Net profit increased by 290 per cent to I\$1.8bn.

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# UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and annual vacancies (000s). All seasonally adjusted.

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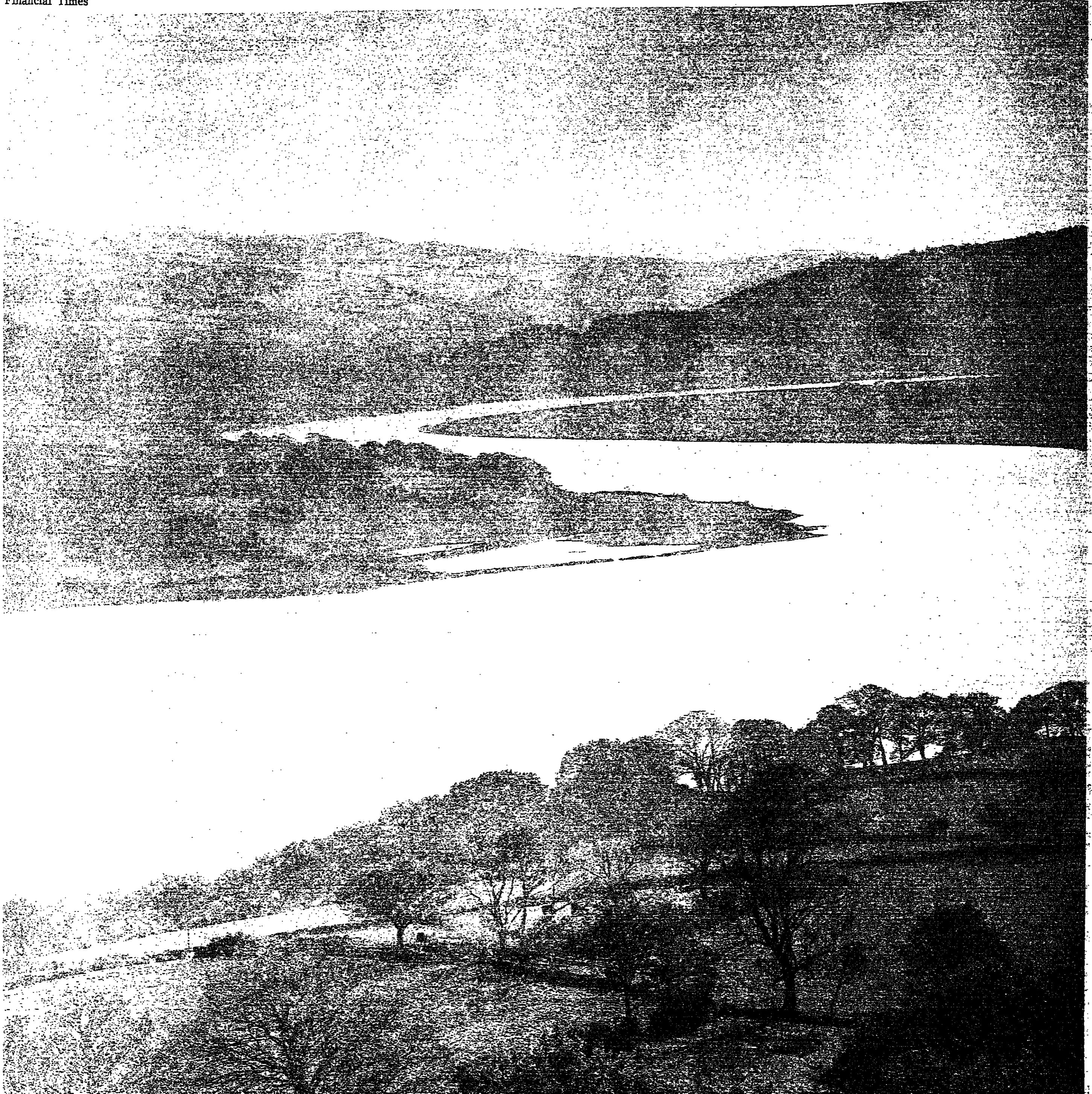
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**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output (1975=100); metal



## Wouldn't you protest if Shell ran a pipeline through this beautiful countryside?

### They already have!



Tom Allen.  
Shell Horticulturist

"When Shell proposed a pipeline from the North East coast of Anglesey to Stanlow refinery, seventy eight miles away in industrial Cheshire, people were worried.

The line would run through part of the Snowdonia National Park and have to pass under rivers Conwy, Elwy, Clwyd and Dee.

What scars would remain?

It is five years since the line was laid, and

as I fly along the route today, even I can see no sign of it.

On the ground, the course of the pipe can be followed by a series of small unobtrusive markers. Apart from these, there is nothing to tell you that the top of a pipeline runs one metre beneath your feet.

The sheer invisibility of the line surprises visitors but not me. I was responsible for re-instating the land and well know what unprecedented lengths we went to. Every foot of the way was

photographed before digging started, and the vegetation restored the way the record showed it... even to the exact varieties of grass.

Sometimes, I agreed deviations in the line to avoid disturbing rare trees. In addition, a team of archaeologists preceded pipeline contractors to make sure that the route would avoid cromlechs, barrows, earthworks and other historical sites.

We are proud of the result, and it shows the way for other conservation projects."

You can be sure of Shell



## CURRENCIES, MONEY and GOLD

## £ and \$ quiet

Trading was quiet in currency markets yesterday, with sterling and the dollar showing little overall change. There was some movement ahead of the U.S. Federal Reserve open market committee meeting, with the market expecting a further easing of interest rates after the meeting. As a result there was little business seen, and the dollar finished at DM 1.7410 against the D-mark, compared with DM 1.7405 on Tuesday, and Swiss Fr 1.6950 against DM 1.6915 in terms of the Swiss franc. In yen terms the U.S. unit finished at Yen 135 against Yen 130.65 previously. On Bank of England figures, the dollar's trade weighted index remained at 83.2. Sterling was also unchanged on a trade weighted basis, with its sterling index at 74.4, the same as on Tuesday. At noon however, it was slightly lower at 74.2, the same level as in the morning. Against the dollar it opened at \$2.3725 and rose on demand around mid-day, to a high of \$2.3830. It came back later in the day as the dollar probably received a small amount of central bank support. Swings closed at \$2.3723-\$2.3735, a fall of just 5 points from Tuesday's close.

**D-MARK** — Slightly weaker within the European Monetary System recently, but showing a firmer tendency against the dollar following a sharp narrowing of Euro-currency rate differentials. There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt, when the dollar was fixed higher at DM 1.7362 against DM 1.7377 on Tuesday. Trading was fairly quiet ahead of the Federal open market committee, with some sources suggesting a further decrease in U.S. interest rates.

**JAPANESE YEN** — Steady in recent weeks, after showing a marked recovery on the downward trend in U.S. interest rates. Last year fears about energy supplies and balance of payments problems severely depressed the currency. — The dollar was slightly firmer against the yen in Tokyo yesterday, closing at Yen 121.00 compared with an open level of Yen 120.30, and Tuesday's close of Yen 121.35.

## EMS EUROPEAN CURRENCY UNIT RATES

ECU: central rate	Currency amounts against ECU	% change from central rate	% change adjusted for divergence	Divergence limit %
July 9				
Belgian Franc ...	39.7087	-40.2880	+1.20	+0.57
D.-Mark ...	7.7220	7.7184	-0.79	+0.76
German D.-Mark ...	5.92700	5.92400	+0.22	+0.24
Dutch Guilder ...	2.74302	2.75018	-0.19	+0.82
Irish Punt ...	0.688201	0.685262	+0.18	-0.47
Italian Lira ...	1157.79	1159.78	+3.63	+3.04
Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.				

## EXCHANGE CROSS RATES

July 9	Pound Sterling	U.S. Dollar	Deutschmark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.275	4.285	518.0	9,580	5,788	4,580	2,716	2.716	66.80
U.S. Dollar	0.451	1	1.745	228.5	4,041	1,986	1,905	1,144	1,144	27.80
Deutschmark	0.348	0.574	1	125.5	2,518	9,016	1,083	475.7	5,242	16.01
Japanese Yen 1,000	1.931	4.581	7.683	1000.	185.1	7,512	8,786	3797.	127.8	
French Franc 10	1.043	2.476	4.513	540.1	10.	5,040	4,713	2,051	8,838	69.03
Swiss Franc	0.564	0.587	1.058	1,618	2,532	1.	1,183	519.5	7,177	17.48
Dutch Guilder	0.881	0.625	0.915	114.6	2,188	0.838	1.	435.2	8,601	14.65
Italian Lira 1,000	1.806	2.108	263.5	4,675	1,926	2,296	1.	1000.	1,581	55.66
Canadian Dollar	0.689	0.974	1.583	192.8	3,582	1,395	1,665	794.4	1.	24.38
Belgian Franc 100	1.611	3.585	6,246	782.5	14.49	5,781	6,828	2871.	4,108	100.

## FT LONDON INTERBANK FIXING (11.00 a.m. JULY 9)

5 month U.S. dollars		6 month U.S. dollars		The fixing rates are the arithmetic means, rounded to the nearest one-hundredth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are, National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.						
bld. 9	offer \$ 1/8	bld. 9 1/4	offer \$ 1/8							

## EURO-CURRENCY INTEREST RATES (Market Closing Rates)

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Pound Sterling	1.	2.275	4.285	518.0	9,580	5,788	4,580	2,716	2.716	66.80
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Long-term Eurodollar two years 10-10% per cent; three years 10-11 per cent; four years 10-11 per cent; five years 11-11 per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar certificate of deposit: one-month 8.80-9.00; three-months 9.00-9.10 per cent; six-months 9.05-9.15 per cent; one year 9.05-9.15 per cent.

## INTERNATIONAL MONEY MARKET

## Dutch rates ease

Short-term interest rates showed a weaker trend in the Netherlands yesterday, leading to speculation that the Dutch central bank may cut its discount rate in the near future. The speculation has increased due to the continued strength of the guilder within the European Monetary System, particularly against the D-mark. At the same time the downward trend in U.S. rates has encouraged the market to look for reduction in Dutch interest levels.

The decline of the D-mark against the guilder may have led to some intervention by the Netherlands National Bank, to support the German currency and replenish central bank reserves. Dutch call money was quoted at 104-104 per cent yesterday compared with 104-103 per cent on Tuesday, while one-month was unchanged at 104-103 per cent. Three-month funds fell to 104-103 per cent from 104-102 per cent and six-month to 104-102 per cent from 104-103 per cent.

At the beginning of the week Dutch banks were overdrawn by F1.296 with the authorities compared with F1.314bn the previous week. The commercial banks had used about 37 per cent of their quota, with the central bank, after slightly over half of the three-month period.

## LONDON MONEY RATES

July 9 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills 6	Eligible Bank Bills 6	Fine Trade Bills 6
Overnight	—	15-18	—	—	—	164	15-16	—	—	—
2 days notice	—	184-187	—	—	—	—	—	—	—	—
7 days notice	—	165-174	164-174	174	174	155-165	16-17	164	164	164
One month	—	165-174	165-174	174	174	165-174	16-17	164	164	164
Two months	—	165-174	165-174	174	174	165-174	16-17	164	164	164
Three months	—	165-174	165-174	174	174	165-174	16-17	164	164	164
One year	—	165-174	165-174	174	174	165-174	16-17	164	164	164
Overnight	—	15-18	—	—	—	144	14-15	—	—	—
One month	—	15-18	—	—	—	144	14-15	—	—	—
Two months	—	15-18	—	—	—	144	14-15	—	—	—
Three months	—	15-18	—	—	—	144	14-15	—	—	—
One year	—	15-18	—	—	—	144	14-15	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgages rate nominally three years 12-13% per cent; four years 13-13% per cent; five years 13-13% per cent. <sup>6</sup> Bank bill rates, in table are buying rates for prime paper. Buying rates for four-month bank bills 14-14% per cent; three-month 14-14% per cent; one-month 14-14% per cent; one-month trade bills 16% per cent; two-month



# Further sharp fall in London sugar price

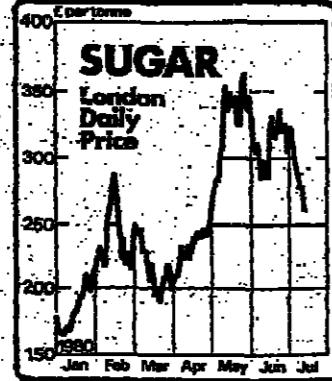
BY JOHN EDWARDS, COMMODITIES EDITOR

**WORLD** SUGAR prices fell sharply again yesterday, following further heavy selling by speculators. The London daily price for raw sugar was cut by £19 to £261 a tonne. The futures market collapsed by the permissible limit down of £20 in the morning and fell further in the afternoon, before rallying in late trading. The October position on the No. 4 contract moved from a high of £322 to a low of £280 before closing at £301.75 a tonne, £21.75 down on the previous close.

No one is quite certain why the sugar market has fallen from the five-year peak levels reached in late May, when the daily price reached £362 and futures traded over £400.

At that time it was generally being predicted that production of sugar would continue to be well below demand and, therefore, prices were likely to keep on rising. However, it appears that anticipation of a possible shortage, developing in 1981, drove prices higher than justified by the present supply and demand situation.

Consumer demand has been hit by the higher price levels, too



with buyers being far more cautious. There are fears that consumption may not match up

fast and furiously, have become increasingly nervous and started to take their profits, or restricted their losses, by selling out in increasing volume.

The downturn has been

accelerated by "short" selling, particularly from speculators who follow the charts.

There were signs of a technical rally last night, which could be the start of a recovery now that futures have come more into line with the physical market. But many speculators, who have suffered heavy losses in the past month or so, might be reluctant to come back in again so soon unless there is some important crop setback or political development affecting the market.

Meanwhile the EEC Commission yesterday rejected all offers for exports of white sugar at its weekly selling tender—the first of the new season.

Bearing in mind the drop in demand for actual sugar, it has proved impossible to sustain the rising price trend especially in the absence of any more "bullish" moves.

Speculators, who played a big role in pushing prices up too

## New copper cathode contract sought

BY OUR COMMODITIES EDITOR

THIS WEEK'S decline in coffee prices continued yesterday with the September position on the London futures market falling £43.50 to £1,384 a tonne—the lowest level since March last year. September delivery coffee has now fallen £350 in a month.

The fall is expected to trigger a special meeting of the International Coffee Council to consider market support measures. A meeting must be held within 14 days if the composite 20-day average indicator price falls below 168.27 cents a lb.

Yesterday morning it stood at 168.42 cents.

The market fall has defied efforts by Latin American producers to shore up prices by announcing that they will not export at current levels. These include Brazil, Mexico, Colombia, Honduras, El Salvador, Nicaragua and Guatemala.

London cocoa futures prices also fell yesterday with the September quotation ending £18 down at £1,048.5 a tonne.

Reviewing prospects for the main suppliers to the UK, mar-

ket, it is predicted that output will rise in Canada and Zambia from last year's setbacks. It notes that the Zimbabwe settlement should pave the way for an improvement in shipments from the African copperbelt.

Agency reports yesterday, however, cast doubts on the claim that the Benguela railway had re-opened allowing copper from Zaire and Zambia to be shipped via Lobito Port in Angola. The Unita guerrilla group said the railway had not re-opened and it now appears that only limited shipments, mainly of manganese, from Zaire have been made. Zambia at present is sticking to its existing exit route via South Africa.

On the London Metal Exchange yesterday there was a general decline in prices, following the downturn in gold. Silver and platinum values fell

as did the morning cash wirebars.

The report expects a surplus of production in the second half of 1980, subject to the uncertainty over the renewal of the U.S. workers' labour contracts.

Reviewing prospects for the main suppliers to the UK, mar-

## Dock strike hits Danish bacon

By Richard Mooney

**SUPPLIES** of Danish bacon to the UK market are running low as a result of a strike by Danish dockers.

Dockworkers have been on strike for five days in support of a pay claim and this has prevented the shipment of about 5,000 tonnes of Danish bacon and pork to Britain, according to Mr. Dyrol Madsen, a director of ESS Foods, which handles Danish imports to this country.

About £6m-worth of Danish meat is sent to Britain each week through the port of Esbjerg, where the dockers work. Some shipments have been moved across land and ferried from Germany, but this has not prevented a shortage developing on the UK market.

Meanwhile the EEC Commission yesterday rejected all offers for exports of white sugar at its weekly selling tender—the first of the new season.

It set the export levy at a zero rate, compared with a rate of 3,509 ECUs per kilo last week, to take account of the fall in the world market. But exporters are reluctant to bid at the moment in view of the general uncertainty.

## French egg imports 'help UK market'

**FRENCH EGG** traders claim they are helping the British market by importing smaller grades of eggs, for which UK demand is weak and exporting larger grades, which are popular in Britain.

They told a representative of the British National Farmers' Union this week that they could not be held responsible if British retailers sold their eggs in a way which could mislead the consumer. This was a reference to the recent controversy about French eggs being produced off in Britain as home

products.

Mr. Bill Leeke, chairman of the NFU poultry committee, returning from a fact-finding trip to Brittany, said he had told leading French egg packers and producers of the concern felt by UK

producers about the effect of imports on their market.

"They pointed out, however," he said, "that France is still a net importer of eggs and egg products."

Now that second earlies are being harvested, however, there are few complaints from growers. Yields, swelled by recent rain, are mainly between 10 to 14 tonnes per acre, which is two to three tonnes above normal for this time of year.

Market prices, in spite of re-opened import possibilities, have seldom been below £70 per tonne and on a few odd days, when supplies have been short, because rain had stopped lifting in some areas, they have

## POTATOES

# Rain brings promise of high yields

BY DAVID RICHARDSON

**AN OPTIMISTIC** old potato grower once told me he liked potatoes as a crop because "you never know how big a yield you've got until the day you dig them." Clearly the element of surprise appealed to him, and had he been alive to dig some this month he might have been very agreeably surprised indeed.

For, although many potato growers were worried for several weeks after April planting that there would be insufficient soil moisture to produce good yields, that situation has now reversed. There has, in fact, been so much rain in some places that the lifting of second early crops has been impossible at times.

So, although national supplies of potatoes are more than adequate and likely to remain that way through the coming year—a few "weather markets" have been created recently which have proved very profitable to those who could

do well.

**It should be remembered**, however, that only a relatively small proportion of potato growers can do grow for those early markets. Geographical, soil and climatic constraints make it impossible for most to contemplate such

## Ban on Spanish imports ends

**BRITAIN** has lifted its import ban on Spanish new potatoes following the removal of the Spanish export subsidy.

The Department of Trade said yesterday that from mid-night traders would no longer need individual import licences to import new potatoes from Spain. The ban was imposed on Spanish and Greek potatoes last month because of the subsidies which allowed them to undercut prices of home produce.

Outlets and the profit outlook for this year's maincrop — the harvesting of which will not begin until September — is much less encouraging.

Potential yields of maincrop will, of course, have benefited from recent rains just like those of earlies. The wet weather has, however, brought with it the serious risk of blight against which crops will now need to be expensively sprayed every 10 to 14 days until mid-September. Some disease will, as always, go unchecked with inevitable loss of saleable yield and quality.

Now that second earlies are being harvested, however, there are few complaints from growers. Yields, swelled by recent rain, are mainly between 10 to 14 tonnes per acre, which is two to three tonnes above normal for this time of year.

Market prices, in spite of re-opened import possibilities, have seldom been below £70 per tonne and on a few odd days, when supplies have been short, because rain had stopped lifting in some areas, they have

## Prospects for late UK harvest

By John Cherrington, Agriculture Correspondent

**TIME WAS** when the annual lunch of the Home Grown Cereals Authority had the very breath of harvest. Invariably as I remember the Minister of Agriculture, a regular guest, was presented with a sample of first cut winter barley. Then we had the prophecies, highly lauded by self-interest. The merchants always claimed prospects to be excellent while farmers warned that yields were bound to be down. An argument that lasts right through the year.

At this year's lunch yesterday however, Mr. Peter Walker said nothing about the harvest. Instead he looked forward to the time, if he is still in office, when he will be presiding over the Council of Agricultural Ministers and trying to lead his fellow EEC Ministers away from the nitty-gritty of day-to-day details towards a consideration of the whole scope of the Common Agricultural Policy.

Perhaps the absence of a grain sample gave a better indication of this year's harvest situation. In a normal year there could have been one from somewhere on the south coast. This time, harvest looks like being late with winter barley not starting for some time and wheat being delayed perhaps until September in many places.

The longer the present dull cold weather lasts, the less likely it is that the grain will mature of a good size and weight.

## End to grain ban denied

**WASHINGTON** — Bob Bergland, U.S. Agriculture Secretary, has rejected a recommendation by Presidential candidate Ronald Reagan that the grain embargo against the Soviet Union be ended.

Mr. Bergland told a group of agricultural officials the embargo has been effective, and cited Press reports of labour unrest due to food shortages in the Soviet Union.

He said the aim is to generate enough internal unrest so the USSR withdraws troops from Afghanistan and is forced to turn its attention to the demands of Soviet consumers for a higher standard of living and better diets.

Mr. Bergland said the USSR has never been a consistent customer for U.S. grain.

## AMERICAN MARKETS

### PRICE CHANGES

In tonnes unless otherwise stated.

July 9 1980 +or - Month ago

WHEAT

Barley

Millet

Oats

Rice

Soybeans

Soybean oil

Soybean meal

Soybean oil meal

Soybean protein

Soybean oil cake

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## LONDON STOCK EXCHANGE

# Strong Gilt-edged market ignores adverse influences

## Gains late in dealings stretch to £1½—Equities dither

## Account Dealing Dates

Outstanding  
\*First Declar. Last Account  
Dealing Dates Dealing Day  
June 30 July 10 July 11 July 21  
July 14 July 24 July 25 Aug. 4  
July 28 Aug. 7 Aug. 8 Aug. 18  
"Now time" dealings may take  
place from 9 am two business days  
earlier.

Yields in excess of 13 per cent  
on longer-dated Government  
stocks attracted further inflows  
of foreign investment funds to  
the London market yesterday.  
With the continued help of a  
basically strong pound, an  
influence on the foreign economic  
institutions and smaller  
buyers of Gilt-edged, quotations  
soon regained opening falls  
ranging to 3 which had reflected  
some apprehension over the  
threat posed by the miners'  
wage claim to Government  
economic policy.

A disappointingly high Central  
Government Borrowing Requirement  
for the past quarter, and  
particularly in June, failed to  
check the advance and the longs  
were showing fresh rises extending  
of 14 points late in the evening.  
Such was the strength of  
the late tone that there is a  
strong possibility that the new  
£20-pd long tap stock, Treasury  
12 per cent 1987, may be  
exhausted in first-time dealings  
today; applications yesterday  
were allotted in full at the minimum  
tender price. Continuing  
the recent trading pattern,  
shorter-dated issues were often  
eclipsed by events in the longs.

The Government Securities  
index yesterday gained 0.34 to  
70.73, its highest since October  
18 last and nearly 11 per cent  
up from the 1980 low recorded  
four months ago.

Equity markets were also

initially subdued by reports on  
Tuesday's miners' conference.  
Leading shares began  
easier but, with the Gilt market  
later exerting stability, were  
quick to rally in trading conditions  
much thinner than recently.

Investment demand remained

selective and led to gains good  
in specific stocks, but the overall  
trend was illustrated by the  
mixed hourly movements of the  
FT 30-share index: from a fall

of 3.2 at 10 am, it rallied to stand  
2.5 higher at 2 pm before

slipping to just 0.3 up on the

close, a penny better.

Demand for Traded options  
was much reduced from recent  
levels and only 1,412 contracts  
were completed as against 2,161  
on Tuesday. Shell were reasonably  
active with 270 deals completed.

## Lloyds &amp; Scottish up

Hopes of further cuts in  
interest rates continued to attract  
buyers to selected Hilt Purchases,  
Lloyds and Scottish closed  
5 in the good at 163p, while London Scottish  
closed 4 to 163p at 163p.

Leading forward a penny to 38p.

Due to begin the clearing bank  
interim dividend season tomorrow,  
Lloyds improved

to 33p before closing a net  
3 at 13p, after 11p.

Against the easier trend in  
Insurances, Trade Indemnity  
added 15 to 205p. Sun Alliance  
eased 8 to 688p and Phoenix 4  
to 260p.

A shade firmer immediately  
in front of the annual figures,  
H. P. Bulmer fell to 19p before

settling for a net loss of 2 at  
198p following the chairman's  
bearing comments on current  
trading. Leading Breweries,  
Marks and Spencer gained the  
most for most of the session,  
found late support and often  
closed a penny better.

Leading Buildings picked up  
from a dull start to close little  
changed on balance. Elsewhere,  
Burnett and Hallamshire rose  
a couple of points to 308p ahead  
of tomorrow's softening of 4 to 23p  
in a thin market reflecting the  
company's coal interests and  
the planned redevelopment of  
the industry. In contrast, Heywood Williams shed 8 for a two-  
day fall of 12 to 60p on reservations  
about the preliminary results.  
A favourable Press mention  
helped Aberdeen Construction  
add 3 to 140p, while UBM  
firmed 3 to 130p on steady  
buying. G. R. Downing's preliminary  
results were deemed satisfactory  
and the price closed 3 harder at 113p, after 11p.

After opening lower at 382p,  
ICI rallied to 388p before drifting  
off in the late dealings to close  
a couple of pence cheaper  
on balance at 384p. Stewart  
Plastics put on 6 for a two-day  
gain of 10 to 100p, after 102p,  
in response to an investment  
recommendation.

Harris Queensway  
recover

Down on Tuesday following a  
downgraded profits forecast  
from the company's brokers,  
Harris Queensway found support  
and rallied 9 to 152p. Railers  
added a penny to 85p awaiting  
today's annual results, but Foster  
Bros. fell 4 to 90p despite the  
slightly bullish tone of the chairman's  
statement at the annual  
meeting. The leaders finished

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